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urban economics

Ground Floor Active Use Study

REVISED DRAFT

Prepared for the City of Vancouver

July 2, 2026

bae urban economics

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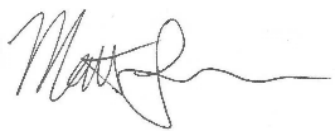
Chim Chune Ko, Real Estate Project Manager
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City of Vancouver
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Dear Chime Chune and Sasha,

BAE Urban Economics, in partnership with First Forty Feet and Bricks Need Mortar, is pleased to submit this DRAFT report of the Downtown Vancouver Active Ground Floor Study. The following report begins with a summary of current demographic and real estate market conditions within the Downtown Vancouver area with a particular focus on active uses. Following the broad assessment of conditions within Downtown, the report discusses ground floor retail trends at a national level and identifies ground floor strategies implemented by similar cities throughout the country. In coordination with the recently implemented Comprehensive Plan and Downtown Design Guidelines, this report summarizes current ground floor requirements and land use policies in Downtown and identifies how those influence the potential for activation and economic development in downtown. The report then analyzes industries with opportunities for growth Downtown that meet active use and economic development goals, including project examples in the United States that have supported similar targeted industries in ground floor spaces. The Team also identifies constraints for ground floor activation in Downtown Vancouver, including local and regional market challenges and land use constraints. Finally, the following report provides a range of strategies and recommendations for the City to support ground floor activation and attract living wage jobs to Downtown.

We look forward to any questions or comments you have on the report.

Sincerely,



Matt Fairris
Vice President

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EXECUTIVE SUMMARY

Project Overview

This following report identifies strategies and recommendations for the City of Vancouver to support an economically diverse and vibrant Downtown neighborhood that balances ground floor active uses, economic development goals, and essential services for residents and employees. Both the City of Vancouver and the Downtown area have experienced significant growth in the last 15 years, with the Downtown population and employment base increasing significantly since 2020. In addition, the City plans for continued growth and densification within Downtown through the recently adopted Comprehensive Plan. With this growth, the demand for new jobs and services in Downtown will continue to grow. To help the City maintain active storefronts, while also incorporating living wage jobs and essential services downtown, this report analyzes national and local ground floor trends and identifies case studies to determine practices that support ground floor activation. The report also identifies growing industries within the region that support living wages, and specifically highlights those industries that fit within downtown. Based on these industries, the report then summarizes typical space requirements to inform the City on mechanisms to support these target industries within Downtown. Lastly, this report identifies specific actions and strategies the City can take to support active uses, meet economic development goals, and provide services within Downtown.

Downtown Market Conditions

As noted above, Downtown Vancouver experienced significant growth over the last decade, including the large-scale development of the Vancouver Waterfront. Along with the Vancouver Waterfront, various multifamily and mixed-use developments delivered that also increased the downtown population and employment base. In terms of retail space, Main Street serves as the primary concentration of retail and restaurant space Downtown. Areas outside of Main Street primarily consist of residential and office space, which support downtown retailers. While the retail market in Downtown appears fairly healthy, with modest rental rates and limited vacancies, the shifting demand away from traditional brick-and-mortar retail space will continue to impact the success of Downtown businesses.

Many cities across the country are facing similar challenges in traditional retail nodes and corridors, driven by decreasing foot traffic and declining spending at traditional retail businesses. According to Placer.ai, downtown visitation across the nation is still below pre-pandemic levels and the increasing presence of online shopping has further exacerbated retail corridor vacancies. To revitalize key retail corridors, cities across the country have implemented strategies to maintain downtown vibrancy, including concentrating retail to active ground floor corridors, increasing flexibility and allowed uses in ground floor spaces, partnering with private entities to create innovative ground floor spaces and occupants, and assisting the local businesses through grants, loans, and business support. These strategies

present similar opportunities for the City of Vancouver to support existing and future downtown businesses.

Downtown Vancouver Land Use Requirements

Recently, the City adopted the Comprehensive Plan and the Downtown Design Guidelines. The Downtown Design Guidelines shape the ground floor environment by encouraging developers to consider ground floor space ceiling heights, transparency, and overall storefront character. While these guidelines add to the character of Downtown and ground floor activation, this report recommends potential flexibility with the guidelines and potentially exempting target industries from certain design guidelines to support more diversity of jobs within Downtown.

The City Comprehensive Plan implements many zoning overlays including the Active Ground Floor Required and Active Ground Floor Ready overlays. Both of these overlays focus on concentrating active ground floor uses to specific nodes and corridors in Downtown. This report identifies the types of businesses that fit into the overlays and also identifies industries that may require variances from the Active Ground Floor overlays in order to locate in Downtown. For example, office and retail uses are most likely to fit into the Active Ground Floor Required overlay due to their space preferences aligning with the overlay requirements. With City support or assistance, other uses like childcare, public services, art galleries, museums, and recreational uses could be included in the Active Ground Floor Required overlay to provide a mix of business types along the corridor.

The Active Ground Floor Ready overlay is meant to allow for flexibility with ground floor uses so that these spaces can convert to active uses in the future. Light food and beverage manufacturing, advanced manufacturing, ground floor residential, and education uses are industries that align with the areas included in the Active Ground Floor Ready overlay. While giving future development in these areas flexibility with ground floor design and uses, this report identifies upfront investments needed to maximize long-term flexibility of these spaces. More specifically, this report identifies a tiered system that outlines the upfront design and investments necessary to increase the flexibility when converting between residential and commercial uses. Using this tier system, the City can identify areas throughout Downtown to support higher design and infrastructure investments that align with needs of specific industries.

Industry Targets and Industry Analysis

In addition to identifying uses that fit with recently adopted active use overlays, this report also analyzes industries that align with economic development goals, primarily focusing on attracting high-wage jobs in Downtown. BAE selected industries that represent opportunities for Downtown job growth based on historic job growth, projected regional job growth, average wages, and existing concentration in Downtown. Based on this analysis, potential target industries for downtown include:

- Specialty Trade Contractors
- Advanced and Light Manufacturing
- Wholesale Trade
- Office Uses
- Retail
- Art, Entertainment, and Recreation
- Hotels, Food and Drinking Places
- Health Care
- Public Administration
- Ground Floor Residential

Building upon the industry target analysis, the analysis then summarizes the space requirements for the target industries to help the City understand the types of spaces needed to support those industries Downtown. The space requirements identified for the target industries include square footage, floor-to-floor heights, parking requirements, curb management, visibility, and required utilities and tenant improvements.

Strategies and Recommendations

The report concludes with a set of specific strategies and actions the City can take to support the target industries. The recommendations are broken down into five categories, including (1) Land Use Policies, (2) City Process, (3) Financial Incentives, (4) Direct and Indirect City Investment, and (5) methods for raising City capital and funding. While the report identifies a wide range of strategies, BAE identified the following as near-term actions to support continued vibrancy while also meeting economic development goals in Downtown:

Allow ground floor use flexibility: The City is actively adjusting ground floor use requirements through the Comprehensive Plan and should continue to support these efforts. In addition to adjusting the requirements through the Active Ground Floor Overlays, the City should consider allowing further flexibility for target industries by allowing waivers and variances from the Downtown Design Guidelines and Active Ground Floor Overlay requirements.

Conduct outreach to target industry businesses, representatives, real estate brokers, and downtown property owners: This study identifies a need to support living wage jobs in Downtown, especially in industries that are not heavily concentrated in Downtown today. Through contacting industry representatives and target industry businesses, the City can create an ongoing list of potential businesses interested in Downtown, coordinate future infrastructure investments to meet their needs, and understand growth trends and how those businesses can fit in Downtown. Similarly, contacting real estate brokers to highlight Downtown Vancouver as an attractive area for businesses looking for space throughout the region will further promote business attraction to Downtown, while also helping City staff understand what businesses are actively interested in Downtown Vancouver and how the City can help support those business types. Lastly, reaching out

to downtown property owners helps the City understand the unique needs and future plans that the property owner has for privately-owned sites throughout Downtown. The City or City partners can act as a liaison between industry target businesses and property owners to fill vacant spaces in Downtown.

Leverage Publicly-Owned Sites for Development: The City owns various parcels throughout Downtown that can be used to support new development for industry targets. The City can support the feasibility of development by offering the land at discounted rates, either through a low-cost ground lease or fee simple sale. In addition, the City can collaborate with other public agencies to identify surplus sites that could support new development for industry targets and ground floor activation. These agencies primarily include Clark County and the Vancouver Housing Authority. The City would not necessarily have to purchase these sites, but rather provide resources and support for future development projects on these publicly-owned sites.

Acquire Privately-Owned Sites and Buildings: The Downtown Redevelopment Assessment identified a range of privately-owned sites that are currently vacant or underutilized. The City can support redevelopment of these sites through strategic acquisition. Through purchasing privately owned sites, the City can catalyze development for surrounding landowners and incorporate industry target users to occupy the development on the purchased property. The City should also seek to purchase sites that disrupt the ground floor active corridors to create a cohesive active environment in Downtown while also being able to determine the tenant that occupies the ground floor once the property is developed.

Public Private Partnerships: Another near-term strategy the City can implement is continuing to identify and participate in public-private partnership opportunities. In addition to entering into development agreements for development on City-owned land as identified above, the City can also consider other forms of partnerships. This could include locating City services in the ground floor of private development or purchasing the ground floor of future developments to allow public ownership and management of Downtown spaces that can then be used to support local businesses. In addition, the City could consider partnering with local childcare providers to attract those uses to Downtown through subsidies or affordable rent to enhance the available services for Downtown residents and employees. Lastly, the City can consider partnerships with local organizations to fill vacant storefronts with local businesses.

Study Methods of Funding Public Investment: The City should review potential revenue generation tools as outlined in this report to support downtown investments necessary to accommodate additional development and the inclusion of space designed to meet the needs of the target industries.

INTRODUCTION

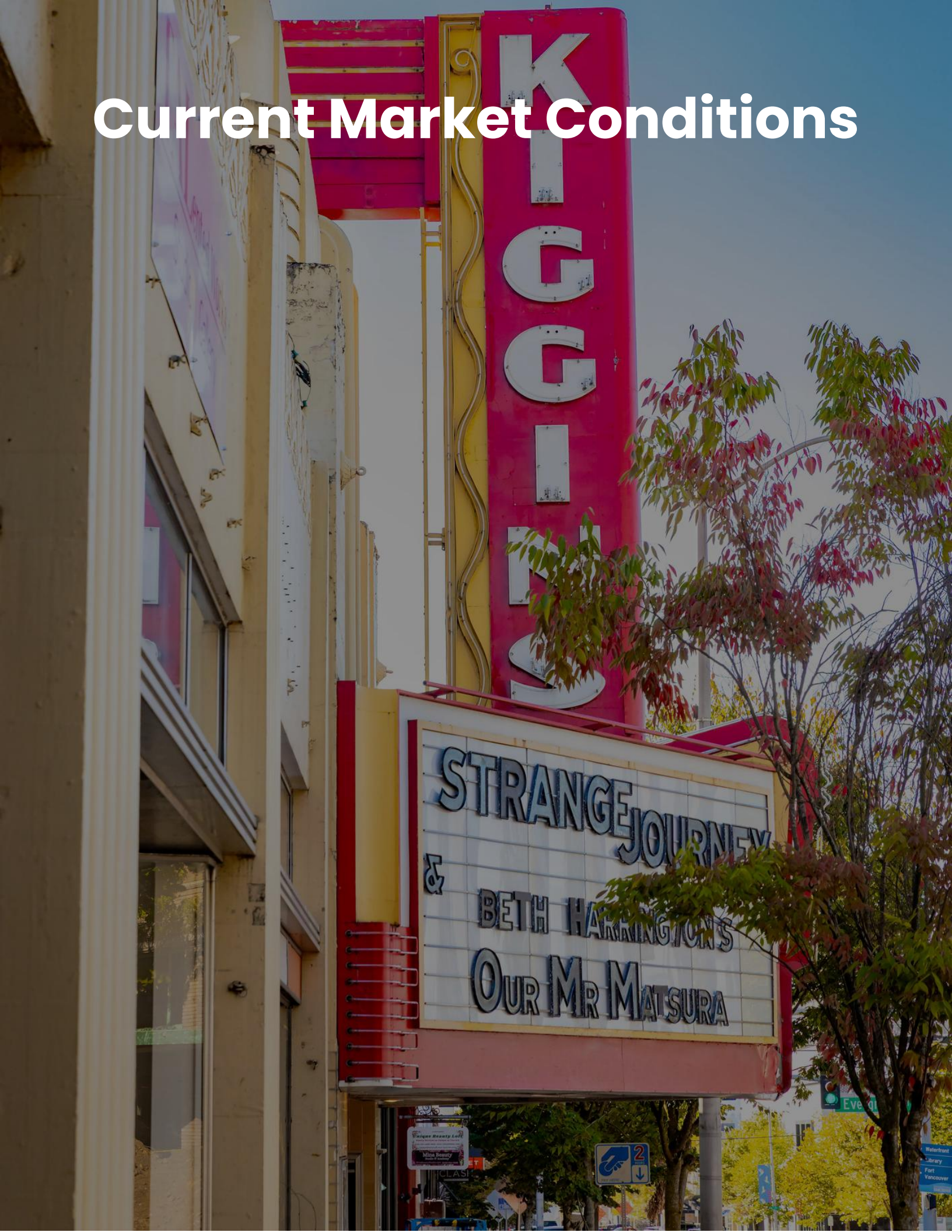
The City of Vancouver contracted with BAE Urban Economics ("BAE") to understand the opportunities, constraints, and potential strategies to support continued active ground floor uses while also expanding access to living wage jobs in Downtown Vancouver. Building upon the Downtown Redevelopment Assessment conducted by BAE, which identified a significant inventory of underutilized land with future redevelopment potential in Downtown Vancouver, this analysis seeks to identify actions the City can take to strengthen existing businesses and support future development in the Downtown area by creating active ground floor nodes and bringing higher wage jobs to Downtown. The goal of this study is to support the City in the following areas:

- Increase the access to living wage jobs in Downtown
- Support small and local businesses in Downtown
- Activate the streets of Downtown
- Create an economically sustainable and resilient Downtown
- Increase the access to essential services for Downtown Residents

BAE, in coordination with First Forty Feet ("FFF") and Bricks Need Mortar ("BNM"), grounds the critical findings in Vancouver's market, while also incorporating other studies and actions that influence ground floor active uses in Downtown, including the Comprehensive Plan and Downtown Design Guidelines.

The following report analyzes and recommends ground floor activation strategies within Downtown Vancouver. This report begins with a summary of local and national market conditions, particularly with ground floor retail spaces. These market conditions discuss the economic and real estate market trends in Downtown Vancouver, the City of Vancouver, and the metro region. The team then reviewed national trends and identified actions taken by similar cities to support active ground floor uses. Building on the case studies, BAE conducted an industry analysis to identify growing industries and industries that offer high wages in the Vancouver region that present opportunities to locate in Downtown Vancouver, with a focus on potential ground floor users. This report concludes with strategies and recommendations for City policy and actions to support continued ground floor activation and help attract target industries to Downtown Vancouver.

Current Market Conditions



ECONOMIC AND REAL ESTATE TRENDS

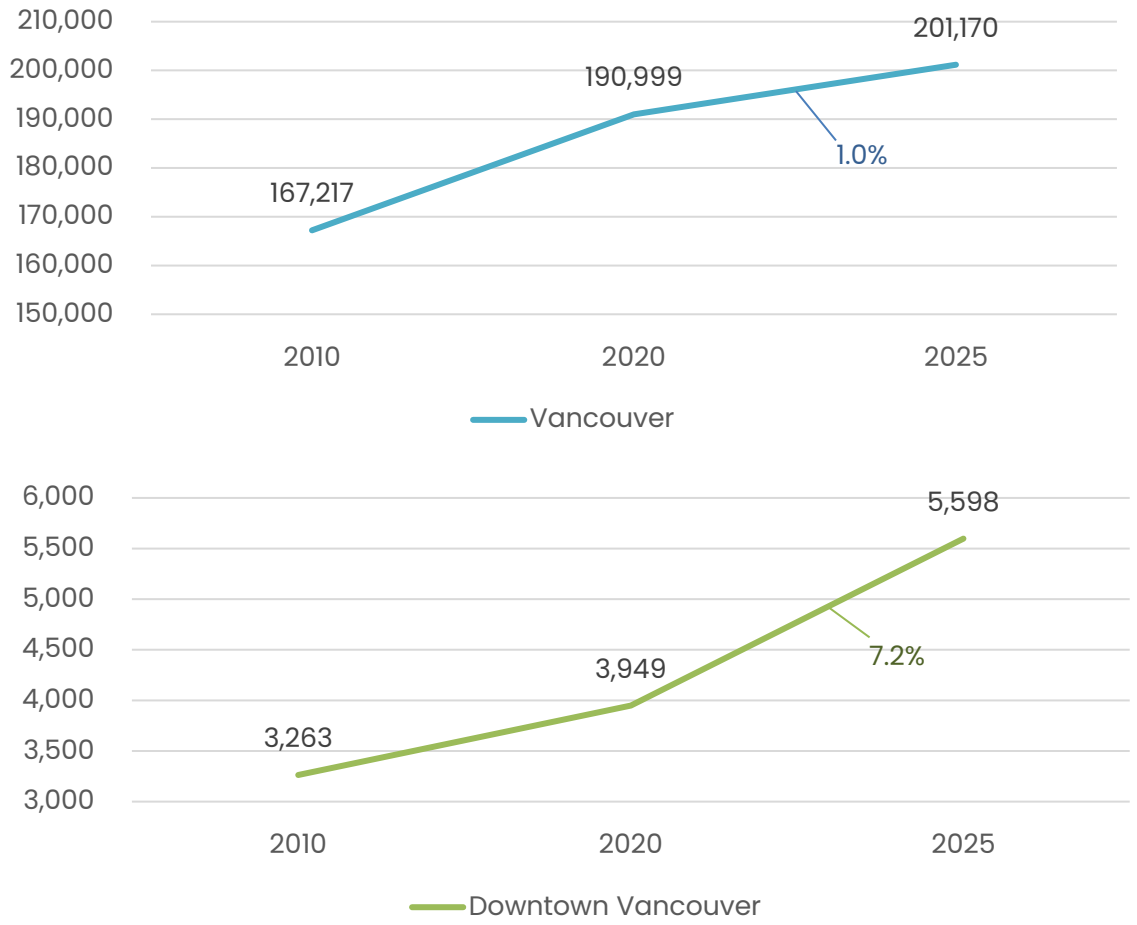
The following section summarizes key economic and real estate market conditions within Downtown Vancouver and the City of Vancouver to identify how conditions have changed in Downtown relative to the rest of Vancouver.

Economic and Demographic Conditions

Population and Households

The City of Vancouver and Downtown Vancouver have grown significantly in the last 15 years, resulting in more households and demand for housing and jobs. As seen in **Error! Not a valid bookmark self-reference.** below, the population in the City and Downtown Vancouver grew significantly between 2010 to 2025, while the Downtown has experienced significant growth since 2020. Along with population growth, households grew at a similar rate in both geographies.

Figure 1: City of Vancouver and Downtown Population, 2010-2025



Sources: ESRI Business Analyst; BAE, 2026.

While Downtown has experienced more household growth than the City, the size of these households is noticeably smaller. For example, in 2025 the average household size in Downtown was 1.42 persons per household, while the City had a larger average size of 2.42 persons per household. According to the Comprehensive Plan both areas are projected to have continued growth through 2045. With recent and continued expected growth in Downtown, the need to preserve the ground floor vibrancy, increase access to services, and support living wage jobs to create a more desirable, mixed-use, and economically diverse Downtown is critical to support a successful Downtown.

Income

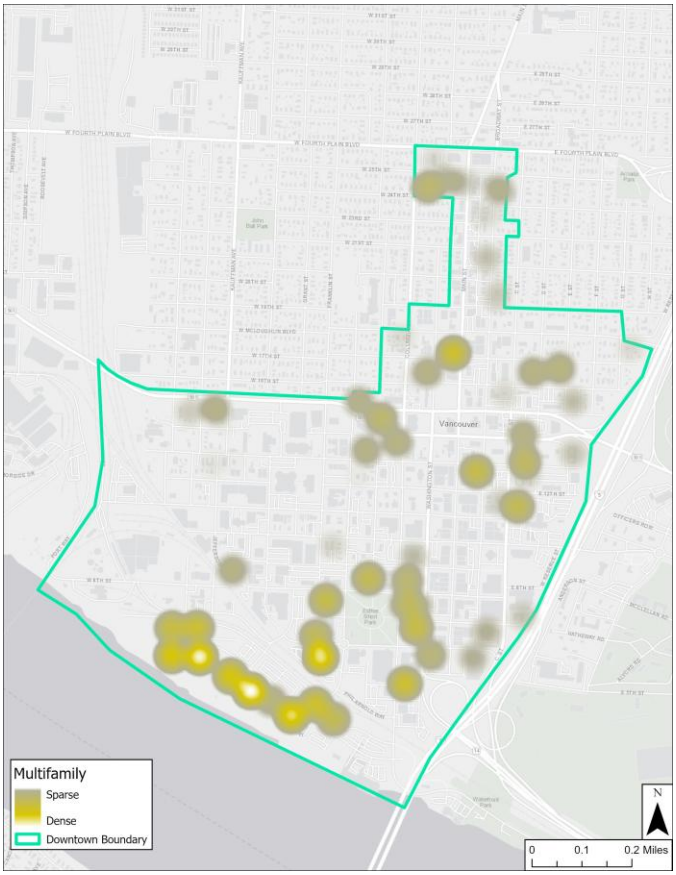
As of 2025, Downtown Vancouver households have lower median incomes than households in the City. This is likely due to smaller households and fewer households with multiple incomes in Downtown. While there is a significant amount of high-wage office jobs within Downtown, other options for living-wage jobs are not as prominent, potentially leading to lower incomes for individuals who live and work in Downtown. According to Esri, as of 2025, the City of Vancouver has a median household income of $82,774, which is approximately $25,000 higher than Downtown's median household income of $56,382 per year. Despite having a lower median household income, Downtown's per capita income of $57,745 is higher than the Citywide per capita income of $45,025 per year. While per capita incomes in Downtown are higher, the higher housing costs for smaller households in Downtown likely indicates Downtown households have similar disposable income after housing expenditures relative to the rest of the city. However, as housing costs and the overall cost of living increases, it is important for the City to consider access to jobs that pay living wages and support a more economically diverse Downtown.

Real Estate Trends

Multifamily market conditions

Recent development at the Vancouver Waterfront significantly increased the supply of multifamily development to Downtown Vancouver, and rental rates in Downtown have increased with this new inventory. Rents in Downtown Vancouver are 50 percent higher than rents in the City. Vacancy rates are also slightly higher in Downtown than in the City, likely due to the introduction of new units and the associated lease-up period. As seen below in Figure 2, multifamily properties are more densely concentrated at the Vancouver Waterfront, which illustrates the impact of the new units. Along with new multifamily units, the demand for essential services, like daycare, healthcare, and groceries has also increased. Strategically placing and supporting these types of services along corridors with dense development will further increase the desirability of Downtown Vancouver to support existing and future residents.

Figure 2: Multifamily Property Heat Map

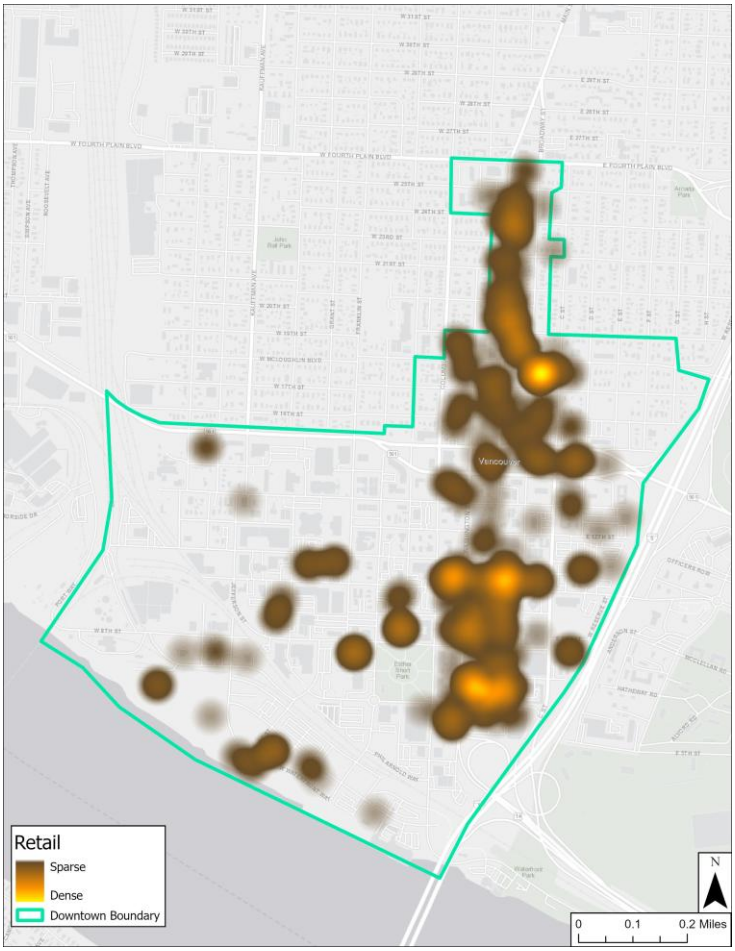


Sources: CoStar; BAE, 2026.

Retail Market Conditions

Annual retail rents in Downtown are roughly $3.00 per square foot lower than overall rents in the City of Vancouver, despite a low retail vacancy rate in Downtown. From 2016 to 2025, roughly 120,000 square feet of new retail space was delivered in Downtown. Most of this new retail space was built as the ground floor of mixed-use multifamily development. As population and households continue to grow within Downtown and the City, foot traffic in Downtown will increase, potentially supporting new retail and services. Figure 3 visualizes the density of retail properties in Downtown, which shows that retail is primarily concentrated on Main Street. Continuing to create and support retail nodes, while also increasing the housing and jobs within downtown will continue to strengthen existing nodes and support new retail and services at well-positioned locations in Downtown.

Figure 3: Retail Property Heat Map

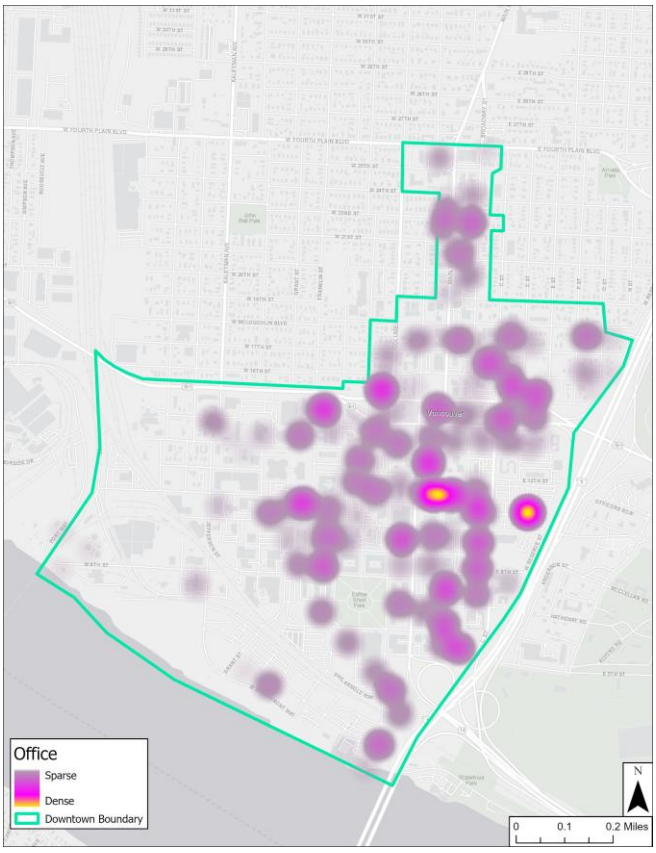


Sources: Costar; BAE, 2026.

Office Market Conditions

Since COVID-19, office demand in the overall Portland Metro region has weakened. However, these broad market trends have not impacted the City and Downtown Vancouver as significantly. Over the last year, the City and Downtown had small positive absorption of office space, meaning there was an increase in office occupancy. Vacancy rates in the Portland MSA are roughly 15.0 percent, while Downtown has an office vacancy rate of 12.0 percent, and the citywide vacancy rate is the lowest, at 8.8 percent. In all three geographies, rental rates stagnated and even decreased in the Portland MSA and Downtown Vancouver due to the COVID-19 pandemic. However, office rents in all three regions in the last year have increased, according to CoStar. Annual office rental rates in Downtown are now roughly $0.75 higher than the City on a per-square foot basis. However, this increase in rental rates may be due to new office supply at the Vancouver Waterfront rather than an increase in demand for existing office space. As seen below in Figure 4, office space is fairly distributed throughout Downtown.

Figure 4: Office Property Heat Map

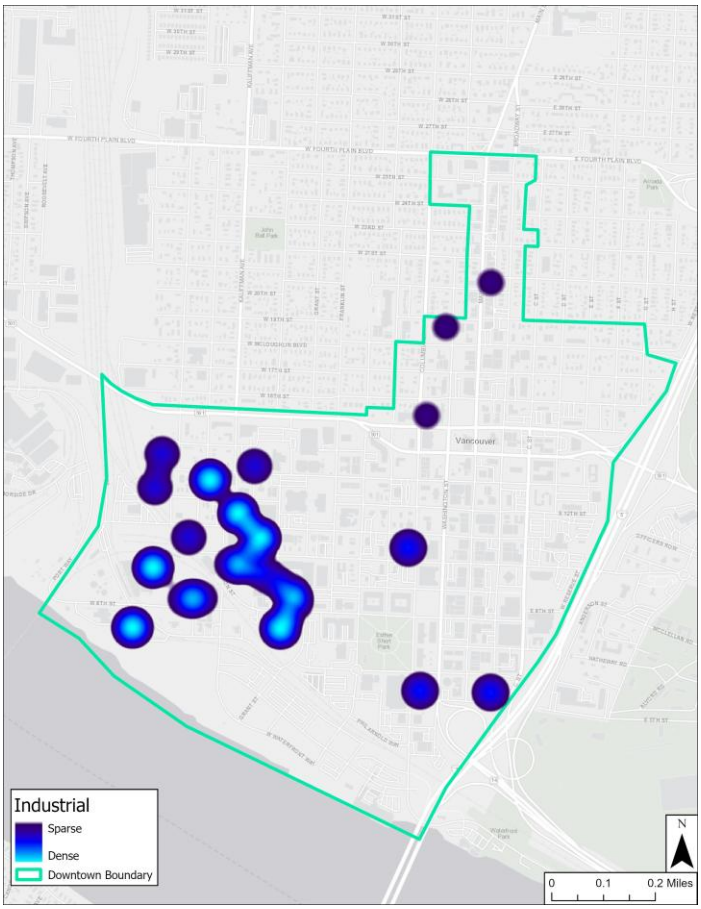


Sources: CoStar; BAE, 2026.

Industrial Market Conditions

The inventory of industrial space in the Portland region and the City of Vancouver has grown over the last 10 years and has additional space currently under construction. Despite this growth in the City, industrial space in Downtown has decreased. Currently, industrial space in Downtown only makes up around two percent of the industrial square feet in the City. Within the last 10 years industrial space in Downtown has decreased due to demolitions and/or changes in use. Downtown industrial space has a low vacancy rate of just 1.0 percent, which suggests the current space is well utilized. Due to the limited industrial inventory in Downtown, there is little rental data available, however, current rentals near Downtown have similar rental rates to those in the City and Portland region. The City has a higher annual rental rate of $14.27 per square foot in comparison to the Portland MSA annual rent rate of $11.62 per square foot. As seen below in Figure 5, the industrial inventory is heavily concentrated in the western portion of Downtown. This area presents opportunities to densify while also maintaining the industrial character in order to support existing and future living wage jobs.

Figure 5: Industrial Property Heat Map



Sources: CoStar; BAE, 2026.

NATIONAL GROUND FLOOR TRENDS

According to Placer AI, visits to retail corridors across the Country are 11.7 percent below pre-pandemic levels. Lower foot traffic in downtowns across the United States has led to challenges in maintaining vibrancy and supporting the success of downtown businesses. Some cities have started requiring businesses to bring employees back in the office, which has increased foot traffic, but most visitation to downtown areas is still concentrated to weekends and other special events. In addition, the continued prominence of online shopping has put pressure on local retailers, leading to changes in demand for retail space and impacts on the vibrancy of core retail nodes. In an attempt to create active downtowns, cities often require ground floor retail, even in areas with limited demand for retail. Often these ground floor requirements create feasibility challenges to developers, due to lower rents and high turnover rates of ground floor tenants. These requirements can stall residential development, which further exacerbates the lack of foot traffic and vibrancy in downtown areas.

To address the high vacancies in downtown areas many cities have implemented retail strategies to increase foot traffic and create vibrancy. BAE identified a range of comparable cities that have implemented strategies to combat vacancies in retail corridors. Among some of the strategies implemented by cities, discussed in more detail below, are adjusting the geographic scope of ground floor retail requirements to focus on creating retail nodes, broadening ground floor uses to include uses such as light industrial, and partnering with public partners to identify public uses that can occupy ground floor spaces to maintain the ground floor activation, expanding access to public services, and support project feasibility. While many cities have implemented ground floor activation strategies, few have specifically incorporated access to living wage jobs as a goal to create a more economically diverse and inclusive downtown, as being envisioned by the City. The sections below group the key findings of the case study research into themes to identify actions taken by similar cities to support successful ground floor uses.

Concentration of Active Ground Floor

Concentrating active ground floor requirements into retail nodes creates vibrant neighborhoods and limits the amount of challenging ground floor spaces in low foot traffic areas. Many cities previously introduced blanket ground floor requirements to create vibrant neighborhoods and have since rolled back those requirements to only specific retail-oriented corridors. Milwaukee, Wisconsin through the 2040 Downtown Plan is creating downtown retail districts for entertainment and active ground floor uses. Milwaukee is complementing this concentration of retail by upgrading the pedestrian infrastructure within these nodes where they expect increasing activation. The City of Spokane, WA implemented new mixed-use zoning with different intensities of ground floor retail in their Centers and Corridors plan. Many other jurisdictions such as Grand Rapids, Michigan and Champaigne, Illinois have

implemented similar strategies to focus ground floor active use requirements to key nodes and corridors rather than having blanket requirements.

Land Use Changes

In response to the increasing amount of ground floor vacancies jurisdictions like Oakland, California and Arlington County, Virginia have recently changed land use policy to expand the options of potential tenants in ground floor spaces. For example, Oakland has included artists and maker spaces as allowable uses in ground floors, and has also allowed these establishments to manufacture and sell items within the same storefront. Arlington County, Virginia increased the amount of uses allowed in their ground floors to increase the flexibility and desirability for developers to build in the Columbia Pike corridor. Arlington County included the following uses as acceptable uses in the ground floor: food and beverage manufacturing, art manufacturing, museums, shared commercial kitchens, animal boarding, and urban agriculture. The flexibility of potential uses has led to an increase in the number of development projects in the area, leading to the desired growth of the Columbia Pike corridor. In other cities looking to increase job growth, Chicago recently adopted land use revisions to allow biotech labs in their ground floors, and Tucson, Arizona has expanded their ground floor uses to include other job-generating uses in addition to retail and restaurants.

Public Partnerships

Partnering with public and non-profit organization to fill vacant spaces leads to improved vibrancy, expanded access to services, and also increases the foot traffic to support surrounding retail. As an example, Brooklyn, New York recently completed a 174-unit affordable housing project with 10 ground-floor light industrial and manufacturing spaces. The affordable housing was financially supported by national, state, and local tax credits, while the developer and City of New York supported the development of the ground floor light industrial spaces. Recently Tacoma, Washington prioritized partnerships with local universities and hospitality groups to increase ground floor occupancy in their Economic Development Strategy Plan. Tucson, Arizona has also prioritized education uses in ground floor space, and have included other potential public and non-profit uses within their Infill Incentive District. Included in partnering with public entities, cities like Denver and Alburquerque have started filling empty land or ground floor spaces with temporary users, or pop-ups. Pop-ups are typically local businesses that temporarily occupy a ground floor space to test their success without the obligation of a full lease. Pairing pop-ups with local events helps to foster local business growth and maintain active ground floor corridors.

City Assistance and Business Support

City assistance and business support programs help small businesses succeed by providing business planning support, rent assistance, and grants. Less ground floor spaces become vacant when small businesses are supported by the City, which ultimately creates active storefronts. The City of Oakland created land trusts to reduce rents in ground floor spaces. This reduction in rent directly supports artists and makers looking for affordable spaces. The

City of Cleveland focused on increasing street art by assisting artists and makers with reduced rent in the North Collinwood area. Alburquerque and Denver used grant programs to assist businesses with tenant improvement and moving expenses.

Other Strategies

While most strategies focus on policy changes, some cities have focused more on the built environment and investing in pedestrian and multimodal infrastructure. A recent example of this includes the City of Ogden, Utah, where the City is currently developing a downtown parking garage off of the historic main street to expand and concentrate access to parking that then includes a pedestrian-focused connection to the main street. Included in the Make Ogden Plan, the City of Ogden is also looking to relocate their express rail train station to the historic train station on the main street to bring more foot traffic from rail users to the downtown area. These types of major infrastructure investments change corridors and how people access retail nodes and downtown areas. However, infrastructure investments typically have high costs and long timelines, meaning these types of strategies are more long-term solutions than short-term strategies.

LOCAL LAND USE REQUIREMENTS

Along with this study, the City of Vancouver has recently adopted the Downtown Design Guidelines and the City Comprehensive plan. Both projects play a major role in determining the future environment of active ground floor spaces within Downtown. This section reviews the regulations and implications of the Downtown Design Guidelines and Comprehensive Plan Overlays on the future of Downtown Vancouver.

Downtown Design Guidelines Summary

The Vancouver Downtown Design Guidelines are the City's primary design review tool for projects within the Downtown Area. They are intended to be used together with the zoning ordinance, Comprehensive Plan, and design review procedures. The guidelines focus on compatibility with downtown's historic character, high-quality materials, active ground floors, pedestrian-oriented design, and a cohesive sense of place. The plan area includes several downtown subareas, including Uptown Village, the Mill Plain Couplet, West-side Government, Esther Short, and Central Downtown, including the Main Street Heritage Overlay District #2.

For active ground floors, the guidelines are organized by frontage type: retail/commercial, office/professional services, live/work, residential, residential accessory spaces, and weather protection. Retail-ready ground floors are expected to provide tenant flexibility through a minimum 25-foot depth, frequent entries, potential restaurant venting, high transparency, and taller ground-floor dimensions. Office ground floors require visibility, appropriate floor height, privacy transitions, setbacks, and landscape buffering. Live/work units must provide storefront character, while ground-floor residential is expected to contribute to the public realm through stoops, balconies, raised entries, and privacy transitions.

The guidelines also include broader design requirements that affect active storefronts, including facade modulation, avoidance of blank walls, pedestrian-scaled lighting, signage integrated with the building, weather protection, utility and service area screening, and limits on parking frontage. The Main Street Heritage Overlay District #2 adds a more specific historic character framework, including a 25- to 30-foot column rhythm, vertical window proportions, recessed windows, base-middle-top facade organization, and durable materials such as brick, terracotta, ceramic tile, or masonry.

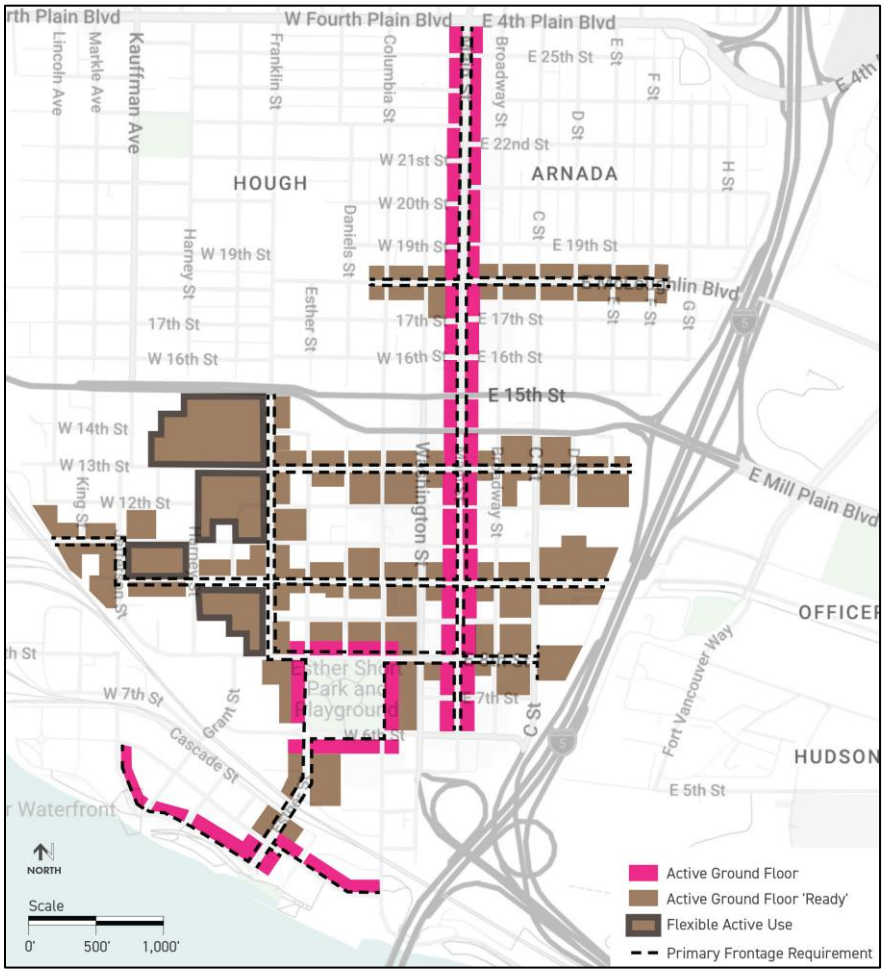
Comprehensive Plan / Overlay Summary

The City's Comprehensive Plan provides the long-term policy framework for growth, land use, housing, employment, public facilities, and livability. The City's adopted *Our Vancouver* update is paired with a zoning code update, which determines what can be built where. The City describes the new zoning districts as a simpler and more flexible system intended to

support housing needs, employment opportunities, and better connections between land uses so daily needs are located closer to residents.

For this study, the most relevant adopted zoning overlays are the Active Ground Floor Use and Active Ground Floor Ready overlays. The draft Title 20 structure also identifies other overlay districts, including Station Areas, Industrial Holding, and Heritage overlays. In practice, these overlays provide the regulatory geography for deciding where active uses should be required at initial occupancy and where ground floors should instead be designed for future adaptability. This creates an opportunity to align land use controls with the Downtown Design Guidelines: require active uses along the highest-priority pedestrian streets and nodes, while applying Active Ground Floor Ready standards in areas where near-term retail demand may be weaker but future conversion should remain feasible.

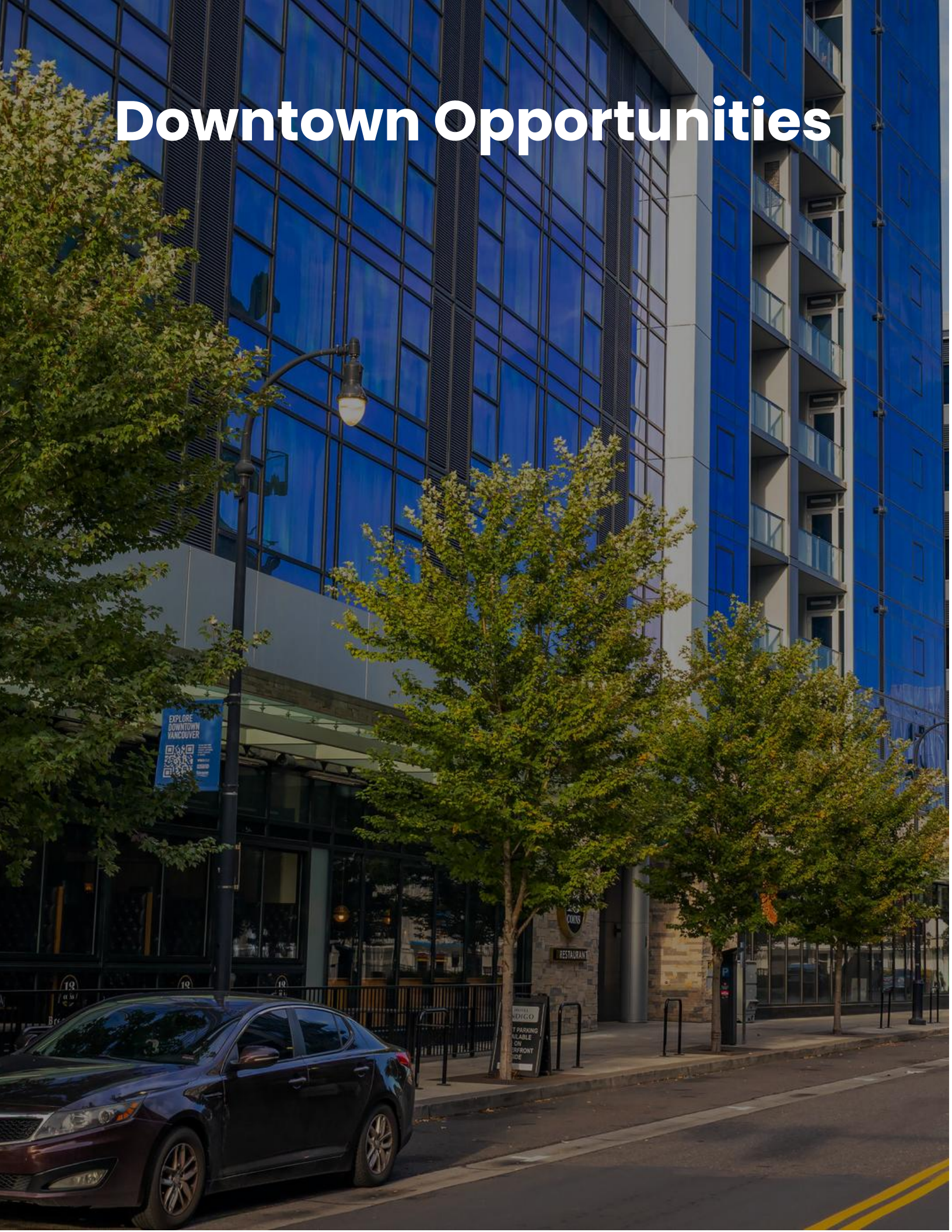
Figure 6: Comprehensive Plan Downtown Ground Floor Overlays Map



Notes: The overlay locations shown are illustrative and should be refined in the next phase. Final boundaries, frontage applicability, should be vetted with the City's planning and building departments.

Sources: City of Vancouver; First Forty Feet; BAE, 2026.

Downtown Opportunities



INDUSTRY ANALYSIS

To support the City's economic development goals in Downtown, BAE conducted an industry analysis of economic characteristics and trends in Downtown Vancouver, Clark County, and Southwest Washington. This analysis seeks to identify industries that are most likely to support living wage jobs in Downtown and explores the compatibility of industries that could be located in Downtown Vancouver. Using this information, the consultant team compiled an industry matrix that summarizes the historical and projected growth of industries in the area, education and wage requirements, space requirements, current land use compatibility in Downtown, and recommended City assistance for each industry. Each section of the report will add relevant information to the matrix that will ultimately inform the City of the types of target industries and tenant types that present opportunities for Downtown growth.

Methodology

BAE analyzed historical and projected employment by industry data, at the two-and three-digit NAICs level, from the State of Washington Employment Security Department for Clark County, Southwest Washington, and the State of Washington. BAE also analyzed business data for Downtown which included NAICs categories. BAE analyzed industries that experienced growth between 2014 to 2024 in Clark County, and the current concentration of jobs by industries located in Downtown to understand current economic drivers. To understand future growth, BAE identified the industries projected to grow in Southwest Washington through 2033. Building upon the analysis of industry growth and concentration, BAE selected two-digit NAICs code industries to create an opportunity matrix for Downtown. BAE used the following criteria to select industries that represent opportunities for growth in Downtown to be analyzed in the target industry matrix, including:

- Industries with historical growth in Clark County
- Industries with projected growth in Clark County
- Industries with concentration in Downtown
- Industries with high average wages

While some industries met all the criteria, BAE also included two-digit NAICs industries that partially met the criteria. To further understand specific industries that could fit in Downtown, BAE also reviewed more detailed three-digit NAICS industries, using the same criteria as the two-digit NAICs industries, to include in the opportunities matrix.

Historic Job Growth

In Clark County, from 2014 to 2024, total employment grew by a total of 40,679 jobs, or roughly 2.6 percent growth per year. All industries experienced job growth over that time horizon, with the exception of the arts, entertainment, and recreation industry. Since 2014, the construction industry grew the most, which is typical among growing geographies and reflects growth in the real estate development sector. Industries that are typically office-related jobs experienced significant growth during the same period. These office-seeking jobs include the

finance and Insurance industry, real estate and rental and leasing industry, professional, scientific, and technical services industry, and the management of companies and enterprises industry. The educational services industry in Clark County also had significant growth, reflecting the growing population base and the relative attractiveness for educators in Washington and the Portland region due to high wages and lower cost of living. BAE included all industries with historical growth in the opportunity matrix for further analysis on how they fit into downtown. As seen in Table 1 below, most two-digit NAICS industries grew from 2014 to 2024 resulting in almost all the two digit NAICS industries being further analyzed for the opportunity matrix.

Table 1: Clark County Two-Digit NAICS Industries Historical Growth, 2014-2024

NAICS Industry	2014	2024	Change	% Growth	Meets Historical Growth Criteria
Ag, Forestry, Fishing	543	550	7	1.3%	Yes
Natural Resources & Mining	*	*	n.a.	0.0%	n.a.
Utilities	*	*	n.a.	0.0%	n.a.
Construction	9,290	17,483	8,193	88.2%	Yes
Manufacturing	13,124	14,256	1,132	8.6%	Yes
Wholesale Trade	6,363	7,129	766	12.0%	Yes
Retail Trade	16,366	18,718	2,352	14.4%	Yes
Transport. & Warehousing	2,892	3,581	689	23.8%	Yes
Information	2,896	3,759	863	29.8%	Yes
Finance and Insurance	4,177	6,358	2,181	52.2%	Yes
Real Est, Rental & Leasing	2,203	3,226	1,023	46.4%	Yes
Prof, Sci, & Tech Serv	7,285	10,678	3,393	46.6%	Yes
Mgmt. of Comp & Ent.	2,070	3,715	1,645	79.5%	Yes
Admin, Support, & Wst. Mgmt	7,524	9,508	1,984	26.4%	Yes
Education Serv.	1,006	1,739	733	72.9%	Yes
Health Care & Social Asst.	22,713	29,598	6,885	30.3%	Yes
Arts, Ent., & Rec.	2,336	2,265	-71	-3.0%	No
Accom. & Food Serv.	10,894	15,192	4,298	39.5%	Yes
Other Services	4,346	5,512	1,166	39.8%	Yes
Public Admin.	23,454	26,976	3,522	26.8%	Yes
Unclassified Est.	238	156	-82	-34.5%	No
Total	**139,721**	**180,400**	**40,679**	**29.11%**	**n.a.**

Sources: State of Washington Employment Security Department; BAE, 2026.

In addition to the high-level two-digit NAICs industries that grew, there were a number of detailed high-growth sectors over the past decade. These include all construction sectors, printing activities, beverage and tobacco product manufacturing, food manufacturing, health and personal care retailers, hospitals, and food services and drinking places. Given the high growth, BAE included many of these specific sectors as opportunities for Downtown .

Projected Job Growth

BAE then analyzed industry projection data from the State of Washington Employment Security Department for the Southwest Washington region. Despite having a decreasing number of jobs in the arts, entertainment, and recreation industry over the past decade, this industry is projected to experience the highest percent growth through 2033. The arts, entertainment, and recreation industry is projected to grow by 20.8 percent, with the health services industry and educational services industry representing other sectors with notable projected growth. The health services industry is projected to grow by 18.7 percent and the educational services industry is projected to grow by 16.1 percent. BAE identified the industries with projected growth as potential opportunities for downtown, as seen in Table 2 below.

Table 2: Southwest Washington Industry Growth Projections, 2023-2033

NAICS Industry	2023	2033	Diff.	% Growth	Meets Projected Growth Criteria
Ag, Forestry, Fishing	n.a.	n.a.	n.a.	n.a.	n.a.
Natural Resources & Mining	900	300	0	0.0%	no
Utilities	300	23,500	0	0.0%	no
Construction	21,200	21,900	2,300	10.8%	yes
Manufacturing	22,100	9,000	-200	-0.9%	no
Wholesale Trade	8,800	25,400	200	2.3%	yes
Retail Trade	24,100	5,800	1,300	5.4%	yes
Transport. & Warehousing	5,600	4,200	200	3.6%	yes
Information	4,100	8,300	100	2.4%	yes
Finance and Insurance	7,600	4,400	700	9.2%	yes
Real Est, Rental & Leasing	4,000	26,500	400	10.0%	yes
Prof, Sci, & Tech Serv	23,600	4,200	2,900	12.3%	yes
Mgmt. of Comp & Ent.	3,800	300	400	10.5%	yes
Admin, Support, & Wst. Mgmt.	n.a.	n.a.	n.a.	n.a.	n.a.
Education Serv.	3,100	3,600	500	16.1%	yes
Health Care & Social Asst.	35,800	42,500	6,700	18.7%	yes
Arts, Ent., & Rec.	2,400	2,900	500	20.8%	yes
Accom. & Food Serv.	18,700	21,200	2,500	13.4%	yes
Other Services	7,600	8,600	1,000	13.2%	yes
Public Admin.	34,000	37,200	3,200	9.4%	yes
Unclassified Est.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL	**227,700**	**250,400**	**22,700**	**10.0%**	**n.a.**

Sources: State of Washington Employment Security Department; BAE, 2026.

Concentration of Jobs in Downtown

In deciding which industries represent future opportunities for Downtown, BAE analyzed business-level data to understand which industries are currently concentrated in Downtown. As shown in Table 3 below, Downtown has a high concentration of employees in the public administration industry, accounting for roughly 42.4 percent of the public employees in the City. This is likely due to the significant presence of both Clark County and the City of Vancouver offices in Downtown Vancouver. The finance and insurance industry, real estate and rental and leasing industry, and professional, scientific, and technical services industry all have significant concentrations of jobs in Downtown. These three industries all have over 30 percent of their workforce located in Downtown. When identifying industries for potential consideration in Downtown, BAE included all industries where over 20 percent of all Citywide jobs are in Downtown.

Table 3: Downtown Vancouver Job Concentration Two-Digit NAICS Industry, July 2024

NAICS Industry	Citywide Jobs	Downtown Jobs	% of City	Meets Job Concentration Criteria
Ag, Forestry, Fishing	73	6	8.2%	No
Natural Resources & Mining	40	0	0.0%	No
Utilities	362	201	55.5%	Yes
Construction	5,277	383	7.3%	No
Manufacturing	8,233	157	1.9%	No
Wholesale Trade	4,776	788	16.5%	No
Retail Trade	11,442	451	3.9%	No
Transport. & Warehousing	2,758	539	19.5%	No
Information	3,715	856	23.0%	Yes
Finance and Insurance	3,540	1,239	35.0%	Yes
Real Est, Rental & Leasing	4,458	1,394	31.3%	Yes
Prof, Sci, & Tech Serv	6,503	1,959	30.1%	Yes
Mgmt. of Comp & Ent.	102	54	52.9%	Yes
Admin, Support, & Wst. Mgmt.	2,552	506	19.8%	No
Education Serv.	10,458	36	0.3%	No
Health Care & Social Asst.	17,481	597	3.4%	No
Arts, Ent., & Rec.	1,296	200	15.4%	No
Accom. & Food Serv.	8,328	1,061	12.7%	No
Other Services	5,932	867	14.6%	No
Public Admin.	4,471	1,897	42.4%	Yes
Unclassified Est.	419	115	27.4%	Yes
Total	**102,216**	**13,306**	**13.0%**	**n.a.**

Sources: Data Axle; BAE, 2026.

High Wage Jobs

To identify jobs with high wages that align with the city's economic development goals, BAE analyzed the Clark County 2024 average wage by industry data from the State of Washington Employment Security Department. In 2024, the Information industry had the highest average wage of $117,800 per year. Other industries with relatively high wages include the finance and insurance industries, with an average wage of $116,500 per year and the management of companies and enterprises industry with an average wage of $110,200 per year. In terms of jobs with lower wages, the arts, entertainment, and recreation industry and the accommodation and food industry have the lowest average wages in Clark County, two industries that are currently concentrated in Downtown. Both industries have average wages around $30,000 per year. When considering what industries represent opportunities to meet City economic development goals in Downtown, BAE selected industries with average wages above $70,000 per year. The $70,000 threshold represents the average wage earned in Clark County as of 2024 and generally aligns with the living wage goals included in the City's Economic Development Strategy. The only exception to this threshold is the Health Care and Social Assistance industry, which contains many sub-industries with wages well above the $70,000 threshold and therefore presents an opportunity for aligning with economic development goals.

Table 4: Clark County Average Wages by Industry, 2024

NAICS Industry	Avg. Wage	Meets Avg. Wage Criteria
Ag, Forestry, Fishing	$53,601	No
Natural Resources & Mining	n.a.	n.a.
Utilities	n.a.	n.a.
Construction	$76,885	Yes
Manufacturing	$75,617	Yes
Wholesale Trade	$94,624	Yes
Retail Trade	$42,711	No
Transport. & Warehousing	$72,670	Yes
Information	$117,848	Yes
Finance and Insurance	$116,508	Yes
Real Est, Rental & Leasing	$63,523	No
Prof, Sci, & Tech Serv	$105,531	Yes
Mgmt. of Comp & Ent.	$110,237	Yes
Admin, Support, & Wst. Mgmt.	$57,484	No
Education Serv.	$38,270	No
Health Care & Social Asst.	$68,207	Yes
Arts, Ent., & Rec.	$30,645	No
Accom. & Food Serv.	$29,615	No
Other Services	$53,897	No
Public Admin.	$76,825	Yes
Unclassified Est.	$104,875	n.a.

Sources: State of Washington Employment Security Department; BAE, 2026.

Using each level of analysis from the methodology and data analyzed above, Table 5 below summarizes the potential fit for the two-digit industries in Downtown. For example, the construction industry grew historically and is projected to grow, but it is not currently concentrated in Downtown therefore it was marked as a "partial" opportunity for Downtown and is included in the opportunity matrix because of specific construction business opportunities in Downtown. The finance and insurance industry grew over the last decade, is projected to grow through 2033, is concentrated in Downtown, and has high wages, so it is marked "yes" as an opportunity for Downtown and included in the opportunity matrix. On the other hand, administrative, support, and waste management grew historically, but is not projected to grow, is not currently concentrated in Downtown, and has lower average wages, so it is marked "no" as an opportunity for Downtown and is not included in the opportunity matrix. All industries marked "yes" below are included as opportunities for downtown, while industries marked "partial" require additional analysis to determine the subsectors, discussed below.

Table 5: Two-Digit NAICS Industries Potential Downtown

	Opportunity for DT		
NAICS Industry	**No**	**Partial**	**Yes**
Ag, Forestry, Fishing	X		
Natural Resources & Mining	X		
Utilities	X		
Construction		X	
Manufacturing		X	
Wholesale Trade			X
Retail Trade		X	
Transport. & Warehousing		X	
Information			X
Finance and Insurance			X
Real Est, Rental & Leasing			X
Prof, Sci, & Tech Serv			X
Mgmt. of Comp & Ent.			X
Admin, Support, & Wst. Mgmt.	X		
Education Serv.		X	
Health Care & Social Asst.			X
Arts, Ent., & Rec.		X	
Accom. & Food Serv.		X	
Other Services	X		
Public Admin.			X
Unclassified Est.		X	

Sources: BAE, 2026.

BAE compiled the two-digit industries labeled "partial" or "yes" from Table 5 into an opportunity matrix, shown on the following page, which highlights the industries economic trends. To understand more about specific industry growth, BAE analyzed three-digit NAICS sub-industries from the industries included in the opportunity matrix. Using the same process for the two-digit NAICS industries, BAE examined the three-digit sub-industries and summarized their economic and growth trends in the opportunity matrix.

Opportunity Matrix Compilation

The opportunity matrix, summarized in Table 6 on the following page, summarizes the economic trends data to easily compare industries and their compatibility in the Downtown market. Included in the opportunity matrix are broad industries, any relevant sub-industries, and corresponding economic trends data. To further summarize the industries with opportunities in Downtown, BAE grouped together the information industry, finance and insurance industry, real estate and rental and leasing industry, professional, scientific, and technical services industry, and management of companies and enterprises industry into a single "office" use type/industry due to the relative similarity in trends and compatibility in Downtown.

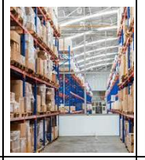
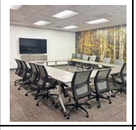
Application for Downtown Vancouver

Using the opportunity matrix, the City can identify target industries for Downtown, and understand the economic characteristics of those jobs. Using this information, it is evident that future opportunities in Downtown may include jobs not typically found in Downtown today, such as light industrial users. By including non-typical industries in Downtown, this represents an opportunity to support living wage jobs and a more economically diverse Downtown economy, while also preserving activation of ground floor spaces. In addition, supporting continued job growth in Downtown will also support existing downtown businesses through increased foot traffic, increased spending, and opportunities for collaboration. The industry analysis can also help reach economic development goals by focusing on industries within the opportunity matrix that have higher wages but also have low education barriers. The opportunity matrix allows the City to identify industries that are likely to succeed and includes examples of successful businesses within those industries.

As an example, a unique opportunity for the City of Vancouver and Downtown is the recent announcement of Hewlett-Packard's (HP) decision to concentrate and expand their office space and employees to a few locations. HP's Vancouver office has been selected as one of the locations that HP will use as a regional office, bringing jobs and new residents to the Vancouver area. HP is a computer hardware manufacturer that partners with other advanced manufacturers to deliver world-class personal use computers. While HP is likely to expand their presence in Vancouver at their existing campus, the investment and increase in

employment in Vancouver will likely spur additional demand for complimentary businesses and new business growth through spin-off companies. Specifically for Downtown, this decision by a major corporation presents an opportunity to support target industries in the Advanced Manufacturing sectors. Downtown can provide opportunities for smaller-scale support industries and spin-off businesses, which will help meet economic development goals. The City can use the following report to identify unique business types and space needs to support these types of industries within the City and Downtown.

Table 6: Industry Targets Economic Overview Matrix

Use Type	Light Industrial						Office	Retail / Restaurant			Specialty			Residential
Industries	**Construction**	**Manufacturing**				**Wholesale Trade**	**Office**	**Retail**	**Arts, Entertainment, and Recreation**	**Accommodation and Food Services**	**Health Care**	**Education**	**Public Administration**	**Residential**
Sub-Industries	Specialty Trade Contractors	Food and Beverage Manufacturing	Advanced Manufacturing	Glass or Ceramic Manufacturing	Apparel Manufacturing	Industrial or Car Part Wholesale	Finance, Insurance, Information, Real Estate	General Retail, Hobby, and Specialty Retail	Museums, Historical Sites, and Similar Institutions	Hotels, Food and Drinking Places	Ambulatory Services, Child Care	Trade School, Computer Training	Local, County, and State Public Administration	Ground Floor Residential Units
Description														
	Light Carpentry, tile, painting manufacturing and installation	Experiential food and beverage manufacturing such as breweries or bakeries	Electronic and computer manufacturing	Experiential ceramics or glass blowing and manufacturing	Small scale sewing and clothing manufacturing	Electrical parts, industrial machinery and stone wholesale	Typical office users and businesses	Typical small business retail along Main Street	Experiential art galleries and entertainment	Typical bars and restaurants in Main Street retail	ground floor and mixed-use urgent care and childcare services	Public education and technical training in ground floors	Public agencies, and legislative bodies	Multifamily residential, ground floor residential
Existing Business Examples	Gorge MakerSpace	Loowit Brewery, Shin Shin Foods	Clark College Advanced Manufacturing Center	Kinfolk, Firehouse	Portland Garment Factory, Juliet Sewing Factory	Pacific Energy, ADT	ZoomInfo	Salons and Clothing Retail	Hopscotch, Source Climbing Center	Restaurants and Bars	Zoom Care	PSU Vanport Building	Clark County, Federal, and City offices	Adera, Uptown Apartments
Industry Historic Job Growth	88.2%	65.1%	15.4%	26.4%	n.a.	12.0%	45% - 80%	14.4%	-3.0%	39.5%	30.3%	72.9%	15.0%	n.a.
Industry Projected Job Growth	10.8%	-0.9%	-0.9%	-0.9%	-0.9%	2.3%	2% - 12%	5.4%	20.8%	13.4%	18.7%	16.1%	9.4%	n.a.
Average Wages	$76,885	$75,617	$90,000 - $120,000	$81,375	$36,219	$94,624	$63,000 - $120,000	$42,711	$30,645	$29,615	$68,207	$38,270	$76,825	n.a.
% of Industry Without Bachelor's Degree	81.5%	63.8%	63.8%	63.8%	63.8%	71.0%	39.5%	71.0%	71.0%	71.0%	38.8%	38.8%	45.4%	n.a.

Sources: U.S. Census Bureau; HGMC Brewing; Capstone CRE; Recast City; Washington Department of Employment Security; First Forty Feet; BAE, 2026.

CASE STUDY PROJECTS

In addition to the analysis of national trends and case studies, BAE also researched specific ground floor examples for uses that fit within the industries selected in the opportunity matrix. BAE reviewed ground floor use types such as light industrial, retail, office, and specialty uses like education, urgent care, public administration, and daycares. While there are limited examples of new and innovative uses in downtown areas, BAE also focused on non-typical mixed-use projects outside of core downtowns but within urban areas. To understand how these projects were delivered, BAE also researched project financing and the role of the city in the development for each project example.

Light Industrial

Throughout the Country, various cities have encouraged mixed-use developments to include ground floor light industrial space. The 805 Rockaway Ave project was recently completed in Brooklyn and was the first ground floor industrial or manufacturing space mixed with a mixed-use multifamily residential in New York. The Rockaway Ave project is supported by multiple government entities and non-profit agencies. The developer is a non-profit industrial development organization and financed the majority of the ground floor industrial space with City support. The City of San Francisco has also supported manufacturing mixed use developments like 100 Hooper Street and One De Haro. For these projects, a zoning variance was approved to allow mixed-use office and light industrial projects in Production, Distribution, and Repair zones. For both projects, a local non-profit advocacy organization, SF Made, coordinated with the developer to advocate and manage the ground floor manufacturing space. Since 2010, SF Made has advocated for local manufacturers and coordinated efforts for leasing industrial space to local manufacturers, highlighting the importance of local partnerships to support the expansion of light industrial and manufacturing spaces in growing urban areas.

Denver created the River North District ("Rino") to revitalize a historic industrial area of Downtown Denver, this district allows the existing industrial uses mixed with other complimentary businesses, including breweries, retail, and entertainment uses. While in theory the combination of uses creates a more active corridor, the Rino district has struggled with vacant ground floors due to rising rents, and a lack of nearby residents to support the ground floor businesses. In efforts to increase business activity the City of Denver recently created a grant program for businesses locating to the Rino District. Lastly, a former factory in Poughkeepsie, NY was transformed into a mixed-use housing and artist studio space. This project maintains an industrial character by reserving flex spaces for artists, while also converting other portions of the building into housing.

Table 7: Light Industrial Project Examples

Use Type	Light Industrial			
Project	**805 Rockaway Ave**	**SF Made - 100 Hooper One De Haro**	**RiNO District**	**Poughkeepsie Underwear Factory**
Image				
City	Brooklyn, NY	San Francisco, CA	Denver, CO	Poughkeepsie, NY
Uses	Mixed use residential for very low-income households, and transitioning households with ground floor light manufacturing	Mixed-use office and maker space	Breweries, Arcades, Light Industrial, High-end Retail	Commercial Kitchen, Artist Studios, Affordable Housing
Financing Strategies and Support	NYC Tax Credits, NY State Bonds, Federal LIHTC, State LIHTC, NY State Homelessness Assistance, Empire State Development, Private Financing	New Market Tax Credits, Rent Subsidy from SF Made, Private Investment	Creative Grants Program used for facility beautification, infrastructure, or creative arts. Pop-up stores	Owned by a homeless support non-profit, renovated space for$7M
Development Team	The Bridge and Mega Group	SF Made, Adobe, Kilroy Realty	Multiple	Hudson River Housing
Role of City	Creating financing sources to support a project like this (see financing strategies above)	Approving a zoning variance to allow office use within a designated light industrial/Production, Distribution	Grant programs, and changed zoning to industrial mixed use	Block Grant, and Downtown revitalization Plan - Sewer and water infrastructure, street slowing projects, public safety (lamp upgrade, fleet upgrades)

Sources: New York City; SF Made; Axios; State of New York; BAE, 2026.

Retail

While there are many examples of mixed-use retail buildings throughout the nation, BAE focused on less typical mixed-use retail uses. For example, the tenant mix at the Goat Blocks in Portland has a nursery, grocery store, restaurants, and an interactive art museum. Furthermore, the strategic placement of the tenants at Goat Blocks, with the restaurants and grocery store on the corner of the building allow for optimal pedestrian traffic and visibility. The nursery and the museum are located mid-block, given they serve as more of a destination rather than solely relying on foot traffic. Slabtown in Portland and the Works in Atlanta are historic industrial areas that have been redeveloped to residential and retail uses. Both projects have included some ground floor residential uses in spaces where demand for commercial uses is limited, leading to a concentration of ground floor retail uses connected by clear pedestrian infrastructure. Slabtown has also included medical office spaces and other non-traditional retail uses to support a more broad tenant base. In Atlanta, the Works has followed with national trends by including more entertainment and dining but limiting the amount of traditional retail spaces in an effort to concentrate the vibrancy and shopping opportunities into high foot traffic corridors. Other examples include Ponce City market, which is a adaptive reuse of a 10-story warehouse in Atlanta, Georgia. While Ponce City Market is not within an active downtown corridor, the developer utilized the recently upgraded Atlanta Beltline and Federal Historic Tax Credits to creatively complete the mixed-use development that contains a range of users.

In addition to retail, urban areas are also beginning to experience demand for active and recreation uses. Examples include rock climbing gyms, pickleball courts, adult arcades, among others.

Table 8: Retail Project Examples

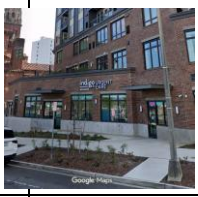
Use Type	Retail				
Project	**Goat Blocks**	**Indoor Pickleball Courts**	**Slabtown**	**The Works**	**Ponce City Market**
Image					
City	Portland, OR	Multiple	Portland, OR	Atlanta, GA	Atlanta, GA
Uses	Hopscotch (interactive Art), Grocery, Nursery, Restaurants	Typically in vacant industrial or big box stores, requires 18ft. Ceiling height minimum	Medical Office, Dog Training / pet store, plant nursery	Food Hall, Office, contractors, Salons, dog parks, breweries, ground floor residential	Retail, Residential, Office, Artist spaces
Financing Strategies and Support	Privately Financed	Franchise	Privately Financed	Privately financed	Historic Tax Credit Program, City Owned land, affordable Tax Credits
Development Team	Killian Pacific	The Picklr, My peoples court, The drop pickleball club	Con-way Master Plan / Multiple Developers	Selig Enterprises	Jamestown
Role of City	Allowed Goat grazing field while lot was vacant. Re-opened the East Side Streetcar route, bridge and pedestrian infrastructure upgrades.	n.a.	Pedestrian infrastructure, re-route of street car in the neighborhood, approval of Con-way master plan	Changed zoning to industrial mixed use.	City owned the land and building before selling it, Investing in the Atlanta Beltline project which is adjacent to the project.

Sources: City of Portland; Urban Land Institute; Jamestown; BAE, 2026.

Office and Specialty Uses

Typically, offices are not seen as active ground floor uses but given the historic and future growth of the office industry, they can fill vacant ground floor spaces along inactive corridors. For example, San Francisco's Pier 70 project is being redeveloped as a master planned community with residential units, office, retail and artist spaces. The Port of San Francisco and the City of San Francisco provided tax Increment financing, and infrastructure grants to support the development. Other specialty uses also present opportunities for Downtown, including health care, public food markets, child care, education uses, and public uses like City offices, libraries, and community centers. Childcare and urgent care are uses that provide essential services to nearby residents while also complimenting nearby retail uses. Education uses create synergies between public entities like the Vanport Building in Portland that is shared by Portland State University and the City of Portland. These synergies support job creation and economic development through establishing mutually beneficial partnerships between public agencies. While certain specialty uses may not provide the high wage jobs desired by the City, they produce active nodes in corridors by creating a micro economy. Residents are more likely to use services nearer to them if they are provided, which creates pedestrian traffic and ultimately activating the corridor.

Table 9: Office and Specialty Use Project Examples

Use Type	Office	Specialty			
Project	**Pier 70**	**Indigo Urgent Care**	**James Beard Public Market**	**Bright Horizons preschool**	**Vanport Building**
Image					
City	San Francisco, CA	Tacoma, WA	Portland, OR	Bellevue, WA / SLC, UT	Portland, OR
Uses	Mixed-use office, retail, art space, and MF residential	Medical Urgent Care, residential senior living	Food hall, and culinary education center	Ground floor daycare / preschool in Bellevue Spring District & University of Utah campus	Ground floor retail, education, and public administration
Financing Strategies and Support	Private investment, TIF Financing, Port of SF infrastructure grants, and Tax money	Privately Financed	Prosper Portland funding, private donors, private financing	Franchise	Portland State University, Portland Community College, OHSU
Development Team	Port of San Francisco, Brookfield	Merrill Gardens (senior Housing) and Rush Development (retail)	James Beard Foundation, Prosper Portland	Bright Horizons Bellevue - Security Properties UofU - Woodbury	Portland State University, Portland Community College, OHSU
Role of City	The City and Port approved a development agreement to allow mixed-use development, the Port paid for and completed infrastructure	North Downtown Subarea plan in St. Helens neighborhood that allows medium density mixed-use.	Years of searching for space, and advocacy from state, and Prosper Portland.	Spring District master plan, UW satellite campus as ground floor, Investment	The City acted as a partner in putting this project together, and currently occupies office space in the buildings.

	upgrades for public access and site improvements for future development.			in Sound Transit train station	

Sources: Pier 70 SF; City of Tacoma; James Beard Public Market; Bright Horizons; City of Portland; BAE, 2026.

CONSTRAINTS TO ACTIVE STOREFRONTS IN DOWNTOWN

Market Conditions

Demand for retail in cities across the country declined during the COVID-19 pandemic and many cities are still recovering from increased retail vacancies. A primary reason for the decline in retail demand for many downtown areas was the lack of visitation from surrounding residents and visitors. Downtown areas with a limited residential base struggled to support ground floor retail, while Cities with aggressive ground floor requirements resulted in an oversupply of retail space. Ultimately, downtown districts require smart planning and programming, support from the City, and innovative approaches to expand the economic base while maintaining activity and vibrancy within ground floor spaces.

Local Context

Vancouver's proximity to Oregon creates a structural disadvantage that shapes the retail environment in ways few other Pacific Northwest cities face. For decades, Jantzen Beach on Hayden Island served as a major regional retail destination, a place where Oregon's absence of sales tax drew cross-river shoppers seeking meaningful savings on everyday consumer goods to larger purchases. Though consumer traffic to Jantzen Beach has been declining for some time, the underlying behavior it represented has not disappeared. Shoppers who once drove to Jantzen Beach now shop online, where Oregon-registered retailers and national platforms alike offer the same tax-free or tax-minimized advantage from the convenience of home. The result is that Vancouver retailers competing in traditional retail categories face a persistent, structural price disadvantage that no amount of local marketing can fully overcome.

Coupled with the convenience of online shopping and delivery, few categories of ground floor small businesses remain strong prospects. To compete in this environment, ground floor concepts must offer something that cannot be replicated on a screen or purchased cheaper across the river. Retailers must provide highly in-demand goods with immediate need, deeply experiential offerings, multi-channel operations that use the physical location as one part of a larger business model, or highly specialized products that serve a defined and loyal customer base.

National Trends

Downtown Vancouver's challenges are not unique. Across the country, downtowns anchored by traditional office inventory are struggling to sustain the ground floor commercial activity that once defined them. Prior to the COVID pandemic, downtown storefronts were limited, sought-after, and supported by the steady foot traffic of office workers, visitors, and residents

moving through dense urban cores. That finite supply justified high lease rates, and landlords and lenders priced accordingly.

Those conditions no longer exist, but the pricing largely does. Office vacancy has reduced downtown foot traffic significantly, yet commercial lease rates have been slow to adjust. This is not simply a matter of landlord reluctance. Banks are resistant to reassessing the value of commercial properties downward, because doing so would impair loan collateral and force difficult write-downs. Municipalities face their own disincentive: lower assessed property values translate directly into a reduced property tax base, creating fiscal pressure that cities are understandably reluctant to absorb. The result is a structural constraint where brick-and-mortar small businesses, particularly single-location operators with a single revenue channel, are expected to pay yesterday's rents for today's foot traffic. For many, this is simply not survivable.

Cities across the country have turned to events and programming as a strategy for reanimating downtown streets. Events can generate energy and visibility, and in the right circumstances they build habits that eventually benefit existing businesses. However, the evidence increasingly shows that one-off, monthly, or even weekly events do not reliably convert crowds into customers for established ground floor commercial tenants. Temporary vendors and food carts, with low overhead, no lease obligations, and no sunk costs, are typically the primary beneficiaries of event-driven foot traffic. Existing tenants may find that an event outside their door brings crowds that browse but don't buy, or that street closures and vendor competition actively impede their normal operations. Events are a tool worth using, but they are not a substitute for the sustained, daily foot traffic that healthy downtowns require.

That sustained foot traffic depends primarily on workers, and getting workers back downtown is necessary but not sufficient. Unless Downtown can offer the wrap-around services that working families rely on: childcare, after-school care, petcare, gyms, and everyday personal services, workers will leave as soon as the workday ends, or sooner. Affordable options for these services are abundant outside the Downtown core, where rents are lower and supply is higher. Without competitive offerings closer to where people work, Downtown will continue to function as a place people pass through rather than a place they stay.

Local Business Perspective

Against this backdrop, the typical downtown small business faces a structural mismatch between its cost model and the commercial environment it now operates in. Most small, independent ground floor businesses were built around a single location, a single revenue channel, and a customer base sustained by foot traffic levels that no longer exist. Key overhead costs, namely rent and payroll, are increasingly less manageable in post-pandemic downtowns.

This mismatch is particularly acute for businesses that lack the capital, capacity, or operational flexibility to adapt quickly. Adding revenue channels requires investment. Rightsizing operations by adjusting hours, reducing payroll, and/or renegotiating space carries its own costs and risks. Relocating back-office or production functions to lower-cost locations outside the Downtown core may make financial sense but requires planning, resources, and technical assistance that many small operators do not have on hand. The challenge facing Downtown Vancouver's small businesses is a structural problem that will require structural responses.

Land Use Challenges

Downtown Design Guidelines

The Downtown Design Guidelines establish a strong foundation for active ground floors by emphasizing pedestrian-oriented frontages, transparency, weather protection, high-quality materials, human-scaled design, and the careful placement of service, utility, parking, and loading areas. The guidelines also recognize that active ground floors may include not only retail and restaurants, but also office, live/work, residential accessory spaces, and ground-floor residential when designed to contribute to the pedestrian realm. However, the current typology-based structure can create constraints for long-term adaptability because each frontage type has different physical assumptions. Retail-ready ground floors are expected to provide greater depth, transparency, frequent entries, venting potential, and taller floor-to-floor heights, while office, live/work, and residential ground floors have different height, setback, privacy, and entry conditions. These differences may support good initial design outcomes, but they can make future conversion more difficult if ground-floor residential is not designed from the beginning with sufficient height, depth, access, transparency, and utility flexibility.

Comprehensive Plan Land Use Overlays

Land use overlays may create similar constraints if active ground floor requirements are applied too broadly or without a clear distinction between areas where active uses should be required at initial occupancy and areas where future conversion potential should be preserved. A tiered Active Ground Floor Ready approach can help resolve these issues by clarifying which shell-building decisions must be made at initial permit, while allowing final tenant improvements to occur later as market demand emerges. The Main Street Heritage Overlay reinforces historic rhythm, vertical proportions, durable materials, base-middle-top composition, and traditional storefront patterns, which are important to downtown character but may require careful coordination with modern tenant needs, larger openings, mechanical ventilation, signage, accessibility, and flexible interior layouts.

Recommendations



INDUSTRY TARGETS AND SPACE NEEDS

Using the prior analysis that identified target industries, the consultant team further analyzed the target industry's space requirements and overall fit in Downtown by creating the matrix shown in Table 10 below. The purpose of the space needs matrix is to recommend industries that can easily fit into the existing downtown environment, and industries that may need additional support from the City to locate in Downtown. The space needs matrix outlines the specific space requirements that the target industries typically need when moving in to a new space like total square footage, floor-to-floor heights, parking requirements, curb management, visibility, utility needs, and tenant improvements. To summarize the overall fit in Downtown for each industry, the compatibility of each target industry within downtown was scored from low to high, with "high" symbolizing a good fit for the existing built environment in Downtown.

HOW TO USE THE SPACE NEEDS MATRIX:

- Identify tenants for vacant spaces in Downtown. The City can support private businesses relocating to privately owned spaces or coordinate with tenants to relocate into a City owned space.
- Pinpoint target industries and tenants for new public development or public-private partnership project. Through acquisition and development of land in Downtown, the City can find industries that meet economic development goals and build space based on the target industry's space requirements.
- Determine land use changes, exemptions and infrastructure upgrades for target industries that meet economic development goals.

Square Foot Range

Downtown Vancouver has a wide range of users from industrial to ground floor retail and multifamily residential. The square foot range row allows the City to identify industries with square foot needs that fit in vacant spaces or publicly-owned ground floor spaces. For example, if a 10,000 square foot space becomes vacant in Downtown, the City can search for target industries like manufacturing, health care, and education users that may fit the square foot requirements of the 10,000 square foot building.

Floor-to-Floor Heights

Floor-to-floor heights are particularly important for industrial users that require loading docks or garages for truck use. Floor-to-floor heights inform the City on the requirement by industry to identify potential investments that can be made to encourage the industrial target industries to relocate or expand into Downtown. For example, food and beverage manufacturing requires a higher ceiling height to accommodate machinery and deliveries. This may limit the ability for food and beverage manufacturers to locate in existing

warehouses in Downtown unless new development specific to industries requiring higher floor-to-floor heights is provided.

Parking Requirements

The parking requirements row describes the typical parking needs of the target industries. As downtown focuses on densification, the amount of parking will become a consideration in supporting business and residential growth. The city could focus on target industries that require lower parking requirements in certain areas, while also accommodating industries with higher parking requirements by coordinating shared parking agreements, allowing exemptions for target industries that help support economic development goals, or creating a transit incentive plan for employees and visitors of target industries to use public transportation. Certain uses, like education, require a significant amount of parking, but alleviating this with public transportation and shared parking agreements can lower the parking requirements and help attract certain high-parking industries to Downtown.

Curb Management

Curb management is the management of sidewalks, parking, loading and unloading for street facing businesses. The matrix ranks the target industries curb management level from low to high. Industries with high curb management, like beverage and food manufacturing, require space to be available at the curb for frequent truck deliveries, loading, and unloading. Businesses with high curb management needs often prefer an alleyway or a side street for loading and unloading. Utilizing the curb management row can help the City concentrate industries with high curb management needs to low pedestrian areas and help plan for future infrastructure upgrades to attract target industries with loading requirements.

Visibility

Visibility for businesses is key to attracting customers and includes pedestrian visibility and vehicle visibility. Pedestrian visibility focuses on pedestrian walkability and appeal from the sidewalk, while vehicle visibility focuses more on signage and direction-based visibility. In the matrix below, light industrial users require lower pedestrian visibility due to small amount of pedestrian visitors, and high vehicle visibility for truck deliveries and employee or customer visitation. Retail and specialty uses require high levels of pedestrian visibility and still require a moderate level of vehicle visibility to attract customers. The City can utilize the matrix below to concentrate target industries to areas with specific visibility requirements and support visibility with infrastructure upgrades like the Main Street Promise Project.

Utilities and Tenant Improvements

The utilities and tenant improvements row describes power requirements, and specific tenant improvements necessary to support each target industries. Light industrial users have higher requirements for power and utility capacity, while food service users require ventilation and grease traps. The City can use this information to inform several actions. First, the City can coordinate tenanting efforts for vacant spaces that already have existing tenant upgrades

that align with that target industry. Secondly, the City can identify vacant spaces that require certain upgrades and tenant improvements with an effort to make those investments in order to attract the target users. For example, if a vacant ground floor space along a key corridor becomes available and food service users are looking to move in, the City can provide financial assistance to upgrade the space for ventilation, grease traps, and other needs.

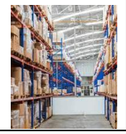
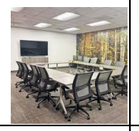
Fit in Downtown

The "Fit in Downtown" section gathers the information from the above sections and assigns a level of fit for the industry within the Downtown environment. The uses that are labeled "high" are the uses that easily fit in with the built environment and are typically found in downtown areas. As seen below, these uses are retail and restaurant, specialty, and residential uses. The light industrial uses range from high level of fit to a moderate level of fit in Downtown. For industries with a moderate or low level of fit, the City should take specific action to create an attractive and welcoming environment that addresses key needs of the industry.

Downtown Subarea

The Downtown subarea row describes which subarea the industry would most likely fit into based on its space requirements and the current conditions within Downtown subareas. For example, the light industrial uses will most likely locate in the civic center or west industrial subareas, while the retail and office industries fit into the east side of Downtown in the Esther Short Park, Main Street, and Uptown subareas.

Table 10: Industry Targets and Space Needs Matrix

Use Type	Light Industrial						Office	Retail			Specialty			Residential
Industries	**Construction**	**Manufacturing**				**Wholesale Trade**	**Office**	**Retail**	**Arts, Entertainment, and Recreation**	**Accommodation and Food Services**	**Health Care**	**Education**	**Public Administration**	**Residential**
Sub-Industries	Specialty Trade Contractors	Food and Beverage Manufacturing	Advanced Manufacturing	Glass or Ceramic Manufacturing	Apparel Manufacturing	Industrial or Car Part Wholesale	Finance, Insurance, Information, Real Estate	General Retail, Hobby, and Specialty Retail	Museums, Historical Sites, and Similar Institutions	Hotels, Food and Drinking Places	Ambulatory Services, Child Care	Trade School, Computer Training	Local, County, and State Public Administration	Ground Floor Residential Units
Description														
	Light Carpentry, tile, painting manufacturing and installation	Experiential food and beverage manufacturing such as breweries or bakeries	Electronic and computer manufacturing	Experiential ceramics or glass blowing and manufacturing	Small scale sewing and clothing manufacturing	Electrical parts, industrial machinery and stone wholesale	Typical office users and businesses	Typical small business retail along Main Street	Experiential art galleries and entertainment	Typical bars and restaurants in Main Street retail	ground floor and mixed-use urgent care and childcare services	Public education and technical training in ground floors	Public agencies, and legislative bodies	Multifamily residential, ground floor residential
Sq. Ft. Range	2,500 to 6,000	5,000 to 15,000	5,000 to 30,000	1,000 to 15,000	2,000 to 30,000	5,000 to 100,000	1,000 to 25,000	1,000 to 10,000	1,000 to 20,000	1,000 to 6,000	1,500 to 15,000	2,000 to 10,000	5,000 to 20,000	50,000 to 250,000
Preferred Ground-Floor-to-Floor Heights	16'-18'	18'-22'	20'-24'	18'-22'	14'-16'	18'-24'	13'-15'	15'-18'	16'-20'	15'-18'	14'-16'	14'-16'	13'-15'	13'-14'
Base Parking Requirement	1 space / 600 sf	1 space / 800 sf	1 space / 800 sf	1 space / 800 sf	1 space / 800 sf	1 space / 1,250 sf	1 space / 400 sf	1 space / 300 sf	1 space / 400 sf	1 / lodging unit or 1 / 250 sf for eating /drinking	1 space / 200 sf	1 space / 3 classroom seats	1 space / 400 sf	0.75 spaces / dwelling unit
Curb Management	Moderate: prioritize rear / side st.	High: timed loading & pick-up / alley preferred	Moderate: occasional service & delivery access	Moderate - High: deliveries & pick-up	Moderate: parcel delivery / pickup and loading	High: commercial loading or alley access	Low-Moderate: short-term parking & drop-ff	High: customer drop-off & pick-up / timed delivery	Moderate-high: school loading, visitor drop-off	Very High: rideshare, delivery, passenger loading	High: safe short-duration drop-off/pickup	Moderate: pickup/drop-off peaks	Moderate: visitor spaces, ADA access, drop-off	Moderate: move-in / resident pickup, deliveries
Pedestrian Access/Visibility	Moderate	High	Low-Moderate	High	Moderate - High	Low	Moderate	Very High	High	Very High	Moderate - High	Moderate	Moderate	Low - Moderate
Vehicle Access/Visibility	Moderate-High	Moderate	Moderate	Moderate	Low-Moderate	High	Moderate	Moderate	Moderate	Moderate-High	High: safe drop-off is important	Moderate	Moderate	Low
Utilities / TI's	Moderate power ventilation	Moderate power High sewer Gas Ventilation	High power ventilation	Moderate power Ventilation	Moderate power Ventilation	Moderate Power	High TI's	Low power	Low Power	Moderate Power Grease trap Ventilation Gas	Low Power Ventilation	High TI's	High TI's	n.a.
Compatibility in DT	High	Moderate	Moderate	High	Moderate	Low	High	High	High	High	High	Moderate	High	High
DT Subarea	Civic Center West Industrial	Civic Center Main Street Uptown	Civic Center West Industrial	Main Street Esther Short	Civic Center West Industrial	Civic Center West Industrial	Civic Center Waterfront	Main Street Esther Short Uptown	Main Street Esther Short Uptown	Main Street Uptown Waterfront	Civic Center Esther Short	Uptown Civic Center Esther Short	Esther Short Civic Center	Esther Short Civic Center Main Street Waterfront

Sources: U.S. Census Bureau; HGMC Brewing; Capstone CRE; Recast City; Washington Department of Employment Security; First Forty Feet; BAE, 2026.

APPLICATION OF ACTIVE GROUND FLOOR OVERLAYS

The active ground floor overlays matrix considers the land use controls included in the Comprehensive Plan Update and their relationship with the target industries. The matrix includes the target industries compatibility with mixed-uses, the Active Ground Floor Required Overlay, the Active Ground Floor Ready Overlay, and a classification system based on required infrastructure for existing and future developments converting from ground floor residential to commercial uses.

HOW TO USE THE ACTIVE GROUND FLOOR OVERLAYS MATRIX

- Determine what industries are likely to fit into the Active Ground Floor Required and Ready Overlays.
- Help create use diversity in downtown by supporting tenant improvement and infrastructure upgrades for industries that may not be typical Downtown tenants.
- Identify infrastructure upgrades for existing spaces and new developments

Mixed-Use Compatibility

The mixed-use compatibility row can help the City select industries other than the typical retail and office uses and target them in existing vacant ground floor spaces or new public development projects. While light industrial users may not be the most compatible for mixed-uses, the City can help support these industries by concentrating these uses to areas in Downtown with more limited mixed-use developments or work to ensure specific design elements within a mixed-use building are met to balance the success of each building occupant.

Target for Active Ground Floor Required

Within the target industries, there are uses that are compatible with the Active Ground Floor Required Overlay like office, retail, and a few specialty uses like childcare. The light industrial uses, public administration, and residential uses do not present a great fit with the Active Ground Floor Required Overlay due to the nature of their operations, lack of actual ground floor activity, and the lack of cohesion with the high-pedestrian traffic areas.

Target for Active Ground Floor Ready

While all of the target industries are allowed as uses within the Active Ground Floor Ready Overlay, some may be less successful under current market conditions. For example, the Ground Floor Ready Overlay areas are typically representative of areas with lower foot traffic

and visibility under current conditions. Uses like light industrial, museums, public administration, and offices will be more successful in the Ready overlay as they are not reliant on foot traffic and the overall conditions in the more pedestrian and retail-oriented corridors. This section of the matrix can help the City determine which uses can easily fit into the overlay area and which industries will need extra support and retrofitting in the existing building inventory. To support economic development goals, the City can identify vacant spaces in the overlay area and introduce target industries to those spaces by supporting tenant improvements and infrastructure upgrades. While this section applies to the existing inventory, the design and infrastructure tier level for future conversion section below discusses how new development can be flexible to allow a range of near-term and long-ter tenants as demand for specific uses shift.

Design and Infrastructure Tier Level for Future Conversion

First Forty Feet evaluated the application of land use controls by comparing Downtown Vancouver's policy and design framework with the physical, code, and infrastructure conditions needed to support active ground floor uses over time. This included reviewing the Downtown Design Guidelines, proposed land use overlays, market findings, industry targets, case study precedents, and the shell-building decisions that affect future conversion from ground-floor residential to commercial, civic, service, or employment-generating uses.

The recommended approach is to avoid applying a single active ground floor standard across all downtown frontages. Instead, land use controls should be calibrated by frontage priority, market demand, public realm value, and the likely intensity of future use. Priority pedestrian streets and nodes should be considered for Active Ground Floor Required controls, where active uses are expected at initial occupancy. Other strategic frontages should be regulated through an Active Ground Floor Ready framework, where ground-floor residential may be allowed initially but the building shell must preserve a realistic path to future active use.

The Active Ground Floor Ready framework could be organized around three tiers of increasing conversion complexity.

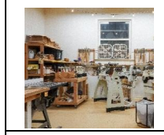
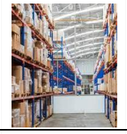
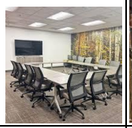
Tier 1 represents the easiest conversion pathway from residential to small-scale active use, such as small retail, gallery, studio, personal service, or small office uses with limited infrastructure demands.

Tier 2 represents conversion to more typical commercial and active main street uses, including larger retail, office and professional services, restaurants and cafes, childcare, urgent care, and other uses that may require greater accessibility, life-safety, plumbing, ventilation, and electrical planning.

Tier 3 represents conversion to the most infrastructure-intensive active uses, including breweries, food and beverage production, advanced manufacturing, glass or ceramic production, apparel manufacturing, and wholesale distribution.

The purpose of the tiered framework is to identify which building shell decisions must be made at initial permit, and which tenant-specific improvements can be deferred until market demand emerges.

Table 11: Target Industries Active Ground Floor Overlays Matrix

Use Type	Light Industrial						Office	Retail			Specialty			Residential
Industries	**Construction**	**Manufacturing**				**Wholesale Trade**	**Office**	**Retail**	**Arts, Entertainment, and Recreation**	**Accommodation and Food Services**	**Health Care**	**Education**	**Public Administration**	**Residential**
Sub-Industries	Specialty Trade Contractors	Food and Beverage Manufacturing	Advanced Manufacturing	Glass or Ceramic Manufacturing	Apparel Manufacturing	Industrial or Car Part Wholesale	Finance, Insurance, Information, Real Estate	General Retail, Hobby, and Specialty Retail	Museums, Historical Sites, and Similar Institutions	Hotels, Food and Drinking Places	Ambulatory Services, Child Care	Trade School, Computer Training	Local, County, and State Public Administration	Ground Floor Residential Units
Description														
	Light Carpentry, tile, painting manufacturing and installation	Experiential food and beverage manufacturing such as breweries, bakeries, or light food manufacturing	Electronic and computer manufacturing	Experiential ceramics or glass blowing and manufacturing	Small scale sewing and clothing manufacturing	Electrical parts, industrial machinery and stone wholesale	Typical office users and businesses	Typical small business retail along Main Street	Experiential art galleries and entertainment	Typical bars and restaurants in Main Street retail	ground floor and mixed-use urgent care and childcare services	Public education and technical training in ground floors	Public agencies, and legislative bodies	Multifamily residential, ground floor residential
Mixed-use Compatibility	Moderate	Moderate	Moderate	High	Moderate	Low	High	High	High	High	High	Moderate	Moderate	High
Target for Ground Floor Active Required	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes - Childcare	No	Yes	No
Target for Ground Floor Active Ready	No	Yes -Light Food Manufacturing	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Design and Infrastructure Tier Level for Future Conversion from Residential to Target Industry	Tier 3	Tier 3	Tier 3	Tier 3	Tier 3	Tier 3	Tier 1 / 2	Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	n.a.

Sources: U.S. Census Bureau; HGMC Brewing; Capstone CRE; Recast City; Washington Department of Employment Security; First Forty Feet; BAE, 2026.

CITY ACTIONS AND STRATEGIES

The analysis above identified potential business types that will support continued ground floor active uses while also incorporating the City's economic development goals to create a more economically diverse Downtown. During this analysis, the consultant team identified potential challenges to supporting the identified industries. To help address those challenges, the following section summarizes key actions and strategies the City of Vancouver can take to support existing and future businesses in Downtown. The section first summarizes all of the potential actions and strategies, and then concludes by identifying the actions that are most helpful for each industry identifies in the target industry matrix.

City Actions and Strategies

The following section identifies specific strategies and recommendations the City can take to support ground floor activation and economic development goals in Downtown Vancouver. The recommendations are broken down into four categories, including (1) Land Use Policies, (2) City Process, (3) Financial Incentives, and (4) Direct and Indirect City Investment. For each recommendation, this section summarizes the general strategy, identifies the key City department or external partner to implement the strategy, and then summarizes the application of that strategy specifically within Downtown Vancouver. Following the actions and strategies in the four categories listed above, this section also identifies methods for funding and raising financial resources to support these efforts. Table 12 at the end of this section summarizes each recommendation and ranks the potential impact on existing downtown businesses, ground floor activation, economic development goals, as well as the policy implementation time horizon and level of required City effort.

Land Use Policies

The City of Vancouver has land use authority over sites throughout the City. Through the ongoing Comprehensive Planning process, the City can take steps to support the industries identified above by increasing the flexibility of ground floor spaces and addressing any major land use impediments that disincentivize business location and investment in Downtown.

This section highlights several policies that will be addressed as part of the ongoing Comprehensive Plan Update. Currently, the land use constraints within Downtown are fairly limited, with only minor requirements on future development and ground floor spaces. However, this section aims to highlight the importance of each land use policy to ensure the City understands how each factor into the activation of ground floor spaces and industry growth within Downtown.

Flexibility with Ground Floor Requirements

Allowing diverse uses and limiting strict requirements for ground floor uses will help decrease vacancies in ground floor spaces and will also help the City meet economic development goals. The City is taking steps through the Comprehensive Plan to address many of these issues, especially by focusing active ground floor use requirements to key nodes and corridors while allowing flexibility outside of those nodes. This flexibility will better facilitate a mix of uses, allow new redevelopment projects to deliver ground floor spaces that align with market demand, and will allow the City to support uses that align with economic development goals.

City Department or External Partner

- City of Vancouver Community Development Department

Implementation

- Limit ground floor requirements to certain key corridors and activity nodes. Allow flexibility in other areas outside of those key nodes, including allowing residential uses, offices, and light industrial spaces.

Exempt Priority Uses from Active Storefront Requirements

The City could consider exempting target industries from certain active ground floor ready requirements in order to support delivery of space that can accommodate the industries that align with economic development goals. Similar to allowing flexibility in ground floor overlays, exempting certain industries from the ground floor design guidelines or overlays will decrease constraints on new projects by decreasing costs and timelines that will increase the inventory of space in Downtown that can accommodate a range of users.

City Department or External Partner

- City of Vancouver Community Development Department

Implementation

- Explore exemptions in ground floor overlays for setbacks or transparency for target industries locating in Downtown.

Adjust Building Design or Façade Guidelines

While high-quality building designs are desirable from an urban fabric perspective, these design components can result in additional development costs, leading to further feasibility challenges. To encourage diverse industries in Downtown, the City could consider relaxing any major design or façade requirements or guidelines within Downtown, within reason. This would lead to a small reduction in overall development costs that could help incentivize development in the near term, especially for projects that align with the industry targets.

City Department or External Partner

- City of Vancouver Community Development Department

Implementation

- Consider relaxing any major design or façade requirements or guidelines for industry targets.
- Consider relaxing setback or step back requirements that limit development potential.

Targeted Industries and Public Infrastructure Investments

Coordinate public infrastructure investments like utility, sewer, bike, and pedestrian infrastructure to desired locations in Downtown to encourage target industries. Increasing utility and sewer capacity can alleviate development costs which increases feasibility for new development or non-typical Downtown uses like light industrial. Increasing bike and pedestrian traffic in active nodes can support local businesses and increase economic activity in Downtown.

City Department or External Partner

- City of Vancouver Public Works Department

Implementation

- Consider including sewer or utility upgrades near publicly owned sites for target industries.
- Support existing active nodes and future active nodes by planning pedestrian and bike infrastructure upgrades like widened sidewalks, protected bike lanes, and increased landscaping.

Mobility Strategies

Incorporate shared mobility platforms in Downtown like scooters, public transit, and bicycles to create a more active environment. Currently Downtown Vancouver does not have shared micromobility bikes or scooters. By introducing mobility options in Downtown, this will attract visitors, and decrease vehicle traffic along active corridors which in turn increases the pedestrian environment and visibility for existing businesses.

City Department or External Partner

- City of Vancouver Parking Services
- City of Vancouver Housing and Economic Prosperity Department
- C-Tran
- Micromobility Companies (i..e, Lyft, Uber, etc.)

Implementation

- Coordinate with C-Tran on micromobility strategies within Downtown
- Contact Lyft or Uber to incorporate shared use bikes or scooters to Downtown.

Support Dense and Efficient Use of Land

Active ground floor nodes require high levels of foot traffic from nearby residents and visitors. The City is encouraging dense residential and commercial development to build Downtown as a sustainable neighborhood within Vancouver. Continuing to support dense and efficient use of land will increase residents and demand for ground floor uses that provide services.

City Department or External Partner

- City of Vancouver Community Development Department
- City of Vancouver Housing and Economic Prosperity Department

Implementation

- Concentrate ground floor retail to existing retail nodes and encourage mixed-use residential development along ground floor active corridors
- Consider creating minimum density standards for residential development in Downtown.

City Processes

In addition to direct land use authority, the City of Vancouver can also support development by having an approval process that is transparent and reduces complexity and costs for new development projects. The City can also coordinate with external partners to further industry growth and decrease Downtown ground floor vacancies.

Curb Utilization

Curb utilization is the management of vehicle parking, loading and unloading, and pedestrian walkways. Uses with loading and unloading needs require limited vehicle parking in certain areas to allow trucks to utilize the space. In corridors with heavy pedestrian traffic the curb should be utilized as wide sidewalks with little loading and unloading zones for trucks.

City Department or External Partner

- City of Vancouver Community Development Department

Implementation

- Review current curb utilization to ensure curb utilization strategies account for the desired mix of business types throughout Downtown.

Permit Streamlining

Long and complex approval processes lead to increased development costs and risks for new development projects. To support the feasibility of new development or business moving to Downtown, the City could consider streamlining permits for projects that meet specific criteria. Similar to other efforts, this streamlining will benefit feasibility in multiple ways, including reduced financing and holding costs, and it will also signal to the development community that Vancouver is committed to supporting projects aligned with its goals, which can attract investment to the City and even reduce required returns through a perception of reduced project risk. It should be noted, however, that the City of Vancouver

already has a fairly efficient approval process relative to nearby jurisdictions. Maintaining this reputation and including additional permit streamlining can further improve project feasibility and attract further investment to the area.

City Department or External Partner

- City of Vancouver Community Development Department

Implementation

- Ensure cooperation with the Community Development Department to maintain efficient permitting process

Project Ombudsman

Another strategy to support Downtown ground floor activation would be to assign an internal City staff person to help navigate a project through the entire approval process. This "ombudsman" program would help shorten the approval process and ensure that someone within City Hall is helping progress the project through approvals, rather than putting the burden fully on the private sector developer. BAE understands the City currently assigns staff to help support public-private partnership projects (e.g., Waterfront Gateway) where the City is an active partner in the project, and this type of support could be further offered to private developments that meet certain city goals.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department

Implementation

- Consider expanding the current City real estate project management program to private sector development in Downtown.
    - This could come from within existing City departments; or
    - The Central City Redevelopment Authority (CCRA) could consider leveraging existing and future resources to hire staff specifically oriented toward supporting the approval process of projects in Downtown Vancouver.

Conduct Outreach to Vacant Property Owners

The City could maintain an inventory of vacant ground floor spaces and contact the property owners to support the tenanting of the space to help fill vacant ground floor spaces and help attract target industries to Downtown. The City can also support property owners with vacant spaces with zoning reviews and land use changes to support the change of potential users in the vacant space. This outreach shows that the City is willing to support Downtown property owners and businesses while also creating a more active Downtown environment.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department

- Private Property Owners

Implementation

- Create an ongoing list of property owners and occupancy of properties in Downtown.
- Conduct outreach to property owners and help support future development, plans, or tenant solutions.

Conduct Outreach to Industry Representatives and Real Estate Brokers

Understanding market demand for industries and their space requirements can help bring new diverse industries to Downtown. Conducting outreach to industry representatives, like the Columbia River Economic Development Council, and real estate brokers can educate the City on specific needs for target industries, and help identify potential businesses that are expanding and may be interested in Downtown.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- Columbia River Economic Development Council
- Business Associations

Implementation

- Develop a list of possible industry groups
- Conduct ongoing outreach to industry groups

Create a List of Potential Downtown Tenants by Industry

In connection with conducting outreach to industry representatives, creating a list of potential tenants for Downtown would allow the City to connect businesses with landlords as spaces become available in Downtown. The City can identify existing businesses in Vancouver that align with the target industries and conduct outreach to understand their current space and potential future space needs.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- Business Associations
- Industry Representatives

Implementation

- Create a list of potential Downtown Tenants by Industry.
- Conduct outreach to businesses on the list.

Coordinate Infrastructure Improvements

To support the inclusion of target industries in Downtown, the City should identify infrastructure projects necessary to support active uses and target industries. Coordinating infrastructure improvements can lower uncertainties and project costs for developers or

tenants looking to locate Downtown, ultimately leading to improved ground floor activation and a more diverse tenant mix in Downtown.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- City of Vancouver Public Works Department

Implementation

- Conduct outreach to target industry businesses to identify specific infrastructure requirements
- Coordinate with the Public Works Department to understand existing infrastructure and planned infrastructure upgrades

Public Management of Ground Floor Spaces

A strategy that the City could implement is to align publicly-managed ground floors spaces with economic development goals. This strategy allows the City to fill underutilized ground floor spaces with industries that support high wages and improve the economic diversity in Downtown. The Vancouver Housing Authority currently owns spaces throughout Downtown, and the City may consider future partnerships or opportunities to expand this inventory of publicly-owned spaces.

City Department or External Partner

- Vancouver Housing Authority
- City of Vancouver Housing and Economic Prosperity Department

Implementation

- Coordinate with the Vancouver Housing Authority to understand current ground floor tenants and their support of economic development goals.
- Partner with the Vancouver Housing Authority on coordinating spaces and future tenants

Acquire Land and Establish Public Development Corporation

The City can establish a public development corporation to acquire land and support redevelopment of private and public sites throughout Downtown. Several underutilized sites are under the ownership of real estate developers and investors, while others are owned by longer-term owners who may not be fully aware of the opportunity to redevelop their site. The City could collaborate with major owners of underutilized sites to identify potential redevelopment plans and discuss any opportunities for City support in reaching Downtown activation and economic development goals.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity
- Potential Public Development Corporation

Implementation

- Identify potential sites for acquisitions
- Research funding sources and policy changes for the establishment of a public development corporation

Downtown Event Programming

An action that the City could take to increase activation and visitation to Downtown is increasing events and programming in Downtown. This action would support existing businesses and create interest for businesses looking to locate to Downtown.

City Department or External Partner

- City of Vancouver Parks and Recreation Department
- Vancouver Downtown Association

Implementation

- Coordinate with Parks and Recreation or the Vancouver Downtown Association to plan events in Downtown.
- Discuss with local Downtown businesses about events that support existing businesses.

Pop-ups in Vacant Spaces

Pop-ups give local businesses a chance to determine demand and overall success of their business plan through short-term leases in existing vacant spaces. Along with coordinating with property owners, a solution to filling vacant spaces could be allowing pop-up stores and coordinating it with public events to ensure success of the pop-up store.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- Property Owners
- Local businesses

Implementation

- Identify any internal barriers to approving pop-up stores in Downtown
- Conduct outreach to property owners and businesses that would be interested in the pop-up store concept

Utilize Art to Activate Vacant Storefronts

As a strategy to activate vacant storefronts or storefronts going through tenant turnover, the city can partner with local art organizations, schools, and non-profit groups to enhance the building exterior with art. This can help reduce blighted storefronts in active corridors and promote local artists.

City Department or External Partner

- Vancouver Downtown Association
- Local Schools
- Non-profit Organizations
- Arts Organizations
- City of Vancouver Community Development Department

Implementation

- Contact local schools to provide artwork for currently vacant Downtown storefronts
- Create an inventory of vacant ground floor spaces and contact property owners to discuss enhancing the building with Art

Financial Incentives

While reducing local land use constraints and providing a clear and reasonable project approval process is a significant step in supporting development and activation of Downtown, during more challenging economic conditions, projects may also require additional financial incentives to achieve financial feasibility.

Coordinate with Public and Non-profit Landowners

In addition to City-owned land, several other public entities own underutilized land throughout Downtown Vancouver, including Clark County, Vancouver Housing Authority, the Federal Government, and religious institutions. The City should coordinate with these landowners to identify potential surplus property that may present opportunities for future development that could include target industries.

City Department or External Partner

- Clark County
- State of Washington
- Non-Profit Organizations
- City of Vancouver Housing and Economic Prosperity Department

Implementation

- Identify all public- and non-profit-owned sites identified in Downtown Vancouver Redevelopment Assessment and identify opportunities to collaborate on methods to support future development.

Fee Waivers or Deferrals

The City of Vancouver charges impact fees on new development projects to cover the project impact on transportation infrastructure, parks, and schools. While these fees support critical City services, the fees do increase the cost of delivering new development projects,

worsening project financial feasibility. The City does currently offer fee waivers or deferrals for specific projects, including civic uses and low-income housing, but these fee waivers or deferrals could be offered to additional development projects that meet City economic development goals.

City Department or External Partner

- City of Vancouver Community Development Department

Implementation

- Explore fee waivers for commercial development that specifically meet economic development goals or create activation.

Property Tax Exemptions

The City currently offers a Multifamily Housing Tax Exemption (MFTE) Program that exempts new multifamily projects from property taxes for eight or 12 years if the project includes affordable housing on-site or pays an affordable housing fee. This exemption is intended to balance the financial impact of including affordable housing on-site or the fee payment but does not necessarily incentivize the market-rate component of the project. If the City wants to encourage more development in Downtown, the City could explore additional property tax exemptions for projects that deliver space that can host the target industries.

City Department or External Partner

- State of Washington
- Clark County
- City of Vancouver Financial Services and Management Department
- City of Vancouver Community Development Department

Implementation

Consider extending property tax exemptions to additional developments that align with City goals, including active ground floor space designed for certain target industries

Workforce Incentives

Another strategy that the City could implement is waiving business license fees and other fees for Downtown businesses to lower operating costs. The City collects fees to administer business licenses and regulate businesses throughout the City. To incentivize target industries to locate to Downtown the City could explore full or partial business license fee waivers.

City Department or External Partner

- City of Vancouver Community Development Department
- City of Vancouver Financial Services and Management Department

Implementation

- Identify opportunity to waive business license fees
- Determine the total value of business license waivers to determine whether this would be an attractive offer to downtown businesses

Construction Sales Tax Rebate

During new development projects, sales and use taxes are charged on all materials, leading to a higher cost of construction relative to projects that are not subject to the same taxes. The City could consider a rebate or deferral of sales tax on construction projects that meet economic development goals. For reference, the State of Washington recently allowed local jurisdictions to waive sales taxes on office-to-residential conversion projects that reserve at least ten percent of the new units for low-income residents. Depending on State legislation, the City could consider a similar policy for new development projects in Downtown that are target industries or contribute to ground floor activation.

City Department or External Partner

- City of Vancouver Community Development Department
- City of Vancouver Financial Services and Management Department
- State of Washington Department of Revenue

Implementation

- Consider a construction sales tax rebate or deferral programs for projects that align with City goals, potentially including:
    - Development with ground floor space
    - Target industries
    - High density development
    - Residential-to-commercial conversion
    - Commercial-to-residential conversion
    - Large sites that provide on-site amenities (i.e., open space, public art, etc.)

Local Sales Tax Rebates

The City of Vancouver collects local sales taxes on all purchases made in their jurisdiction. The City could support new development or redevelopment projects that include space designed for target industries by providing a local sales tax rebates. This could also be offered to the businesses themselves as a tool to enhance revenue to users in Downtown.

City Department or External Partner

- State of Washington Department of Revenue
- City of Vancouver Housing and Economic Prosperity Department
- City of Vancouver Financial Services and Management Department

Implementation

- Collaborate with the State to lobby for sales tax rebates for target industries.

- Partner with City departments to determine feasibility of providing sales tax rebates for target industries.

Direct and Indirect City Investments

In addition to providing financial incentives directly to projects, the City can also invest in supportive infrastructure and amenities that will support broader activation and economic prosperity efforts by increasing demand for residential units, and target industries in Downtown and eliminating infrastructure capacity barriers.

Acquire Strategic Parcels

The City could consider acquiring privately-owned parcels with the intent of delivering projects that meet City goals. To purchase the parcels, the City would likely be required to pay fair market value, but this investment could unlock future development that aligns with economic development goals.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- Potential Public Development Corporation

Implementation

- Review Strategic Sites inventory presented in the Downtown Redevelopment Assessment with existing landowners
  Focus potential site acquisition on sites that have unique constraints to development or present unique opportunities to support economic development goals

Direct City Funding or Gap Funding

To fill a financial feasibility gap, the City could also consider providing direct financial assistance, or gap funding, to projects that provide ground floor spaces for target industries. Typically, financial contributions are offered to affordable housing developments, but the City could expand these financial contributions and incentives to other types of development that support the City's redevelopment goals .

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- City of Vancouver Financial Services and Management Department

Implementation

- Consider expanding City financial contributions to projects that include space designed for target industries

Façade Improvement Program

A façade improvement program would increase visibility and placemaking for existing Downtown Businesses in active corridors through directly investing in updating signage and building exteriors. The program could also be offered to businesses in target industries as a way to attract them Downtown.

City Department or External Partner

- Vancouver Downtown Association
- City of Vancouver Housing and Economic Prosperity Department

Implementation

- Determine funding sources for façade improvement program
- Coordinate with the Vancouver Downtown Association to identify businesses and buildings that need façade upgrades

Business Grants

The City can also directly support businesses that are in target industries or located on active ground floor corridors. These investments would support continued growth in Downtown and could help attract businesses in target industries to Downtown. Target industries can use these grant funds to support tenant improvements or other business start-up needs when they relocate to Downtown.

City Department or External Partner

- Vancouver Downtown Association
- City of Vancouver Housing and Economic Prosperity

Implementation

- Identify potential funding sources.
- Research businesses looking to expand into Downtown.
- Identify new local businesses along active ground floor corridors.

Grants for Developers or Property Owners

Similar to the grant program for local businesses, the City can also offer grants to new development or property owners with vacant spaces that are willing to deliver space designed for certain industry targets as a means to lower project costs and increase industry diversity and ground floor activation.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity

Implementation

- Identify potential funding sources
- Research target industries that are looking to expand into Downtown
- Identify vacant spaces along active ground floor corridors

Create Revolving Loan Fund

Another direct investment that the City can do is creating a revolving loan fund. A revolving loan fund is a City-provided low interest loan that is given to local businesses, development projects, or target industries to assist with the delivery of projects. The City would give loans to projects or businesses and collect the interest payments to then invest that money into other local businesses and projects. This low interest loan can lower project costs for new development or lower startup costs for target industries moving into Downtown.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- City of Vancouver Financial Services and Management Department

Implementation

- Identify initial funding source for revolving loan fund
- Identify
- Research target industries and development projects in Downtown.

Invest in Marketing Support

To support local businesses in active ground floor corridors, like Main Street, the City can create invest in a comprehensive marketing effort to attracts residents and visitors to Downtown. Ground floor uses need heavy pedestrian traffic to be sustainable, If Downtown increases total visitation, demand for retail and traditional downtown business will increase, which helps support activation of Downtown.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity
- Vancouver Downtown Association
- Visit Vancouver WA

Implementation

- Coordinate with Vancouver Downtown Association on a marketing strategy.
- Find funding resources for marketing strategies.

Small Business Technical Assistance

Providing education and small business technical support to Downtown businesses would decrease tenant turnover and help maintain a vibrant Downtown. These services could also be offered to target industries that align with economic development goals.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- Non-profit organizations

- Vancouver Downtown Association
- Local Educators
- Technical Institutes

Implementation

- Contact non-profit organizations and Vancouver Downtown Association to understand existing local business support programs
- Work with budget team to understand available funds to support small business education programs

Workforce Development and Education

Collaborate with technical institutes and workforce development organizations to provide education and skilled training for the workforce. Increasing the number of skilled workers in key industries will help attract businesses and support continued growth throughout Vancouver. The City could consider focused trainings on skills needed to support the target industries.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- Non-profit organizations
- Technical Institutes
- Workforce Development Organizations

Implementation

- Contact workforce development organizations and technical institutes to understand how the City can support their operations

Maintain Downtown Cleanliness and Safety

Maintaining a clean and safe Downtown neighborhood is critical to supporting activation and visitation. The City of Vancouver currently is successful in keeping downtown clean and safe, however continual financial and operational support on this is important to increase Downtown visitation. Cleanliness and safety also attracts businesses because it shows the City is willing to invest in economic growth within Downtown.

City Department or External Partner

- Vancouver Downtown Association
- City of Vancouver Public Works Department

Implementation

- Coordinate with Public Works to understand existing support and operations of Downtown cleaning and safety
- Continue to support Downtown cleanliness and safety

Infrastructure Upgrade Grants

The City could prioritize infrastructure investments to accommodate target industries. New development of target industries in Downtown will likely require certain utility upgrades. To lower development costs and support the delivery of space for target industries, the City could provide direct financial contributions to support the building infrastructure upgrade costs.

City Department or External Partner

- City of Vancouver Public Works Department
- Developers and Land Owners

Implementation

- Maintain list of new development projects Downtown to find opportunities to support infrastructure upgrades
- Identify infrastructure upgrades required to support target industries

City Funded Shared Parking Infrastructure

Developing City-led shared parking infrastructure encourages dense development by reducing the need for developers to include parking on-site, which increases the amount of rentable space included in new projects. This translates to reduced costs for developers and may support the utilization of innovative construction types that are not feasible with on-site parking (i.e., mass timber, multifamily development on small lots, etc.) Given the City has the Downtown Parking Fund, which provides ongoing revenue to support parking provision in Downtown Vancouver, the City could leverage these funds to build parking that accommodates both visitors and resident needs to increase visitation and vibrancy in Downtown.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- City of Vancouver Parking Services

Implementation

- Identify opportunities for City-funded shared parking structures to accommodate future employment and visitor parking demand. Potential areas of opportunity include:
    - Centrally located
    - Proximity to significant future development potential
    - Ability to meet visitor, resident, and employee demand

Downtown Employee Transportation Management Plan

Creating a downtown employee and visitor transportation management plan can reduce parking requirements for new developments, and encourage visitors to come to Downtown. The transportation management plan can include free public transportation to Downtown,

discounted parking in City owned parking garages or street parking, or discounted use of shared micromobility like scooters or bicycles. Decreasing costs for employees encourages residents to work Downtown and support ground floor active uses, this also decreases costs for visitors to come to Downtown which increases foot traffic and activation.

City Department or External Partner

- C-Trans
- City of Vancouver Parking Services
- City of Vancouver Housing and Economic Prosperity Department

Implementation

- Contact C-Tran about possible discounted use for Downtown employees
- Collaborate with Downtown Parking team for possible discounted or free parking for Downtown employees in City parking infrastructure
- Research possible introduction of shared micromobility transportation

Table 12: Strategies and Actions Summary Table

Shared as PDF for 6/12 DRAFT

Sources: Bricks Need Mortar; First Forty Feet; BAE, 2026.

Methods of Funding for Public Investment

In order to provide direct financial incentives, the City needs to identify mechanisms to increase local capital. There are various methods that the City can explore, all with varying implications on Downtown businesses and broader tax-receiving entities throughout the City and Downtown area.

Tax Increment Financing District

Recently approved by the Washington State legislature, local jurisdictions are now eligible to set up tax increment financing (TIF) districts to fund public improvements. In order to establish a TIF district, a city must find that:

- Public improvements are expected to encourage private development that will increase assessed values in the area
- The private development would not be reasonably expected without the public investments
- The expected assessed value within the area would be less without the public investment
- The projected future development is allowed under local zoning and development standards

Downtown Vancouver meets these conditions and serves as a valuable opportunity to create a Downtown TIF district. Potential public improvements that could spur development include open space, bike and pedestrian infrastructure, and internal roadway improvements for larger redevelopment sites. To capitalize on future development, a TIF district is most impactful when it is created around a large amount of redevelopment potential but prior to the development efforts in order to keep the baseline assessed values relatively low. The City could consider a full downtown TIF district, or more defined districts to fund specific infrastructure investments. A separate study conducted by the City concluded that a Downtown TIF district is challenging under existing State of Washington TIF legislation due to tax exemption policies and the limitations on the scope of potential TIF investments. If State laws and regulations change, a TIF district for Downtown could serve as an important tool to support downtown development and infrastructure upgrades.

City Department or External Partner

- State of Washington
- Future Public Development Corporation
- City of Vancouver Housing and Economic Prosperity Department

Implementation

- Initiate study of feasibility and revenue expectations for Downtown Tax Increment Financing District
- Identify infrastructure investment needed to support new development that can be funded through TIF revenue
    - Bike/Pedestrian Infrastructure

- Shared Parking
- Open Space

Increase Sales Tax in Downtown to Support Downtown Investment

The City of Vancouver receives roughly 14 percent of retail sales tax revenue generated in the City, which amounted to around $64.2 million in 2025. In April of 2025, the City of Vancouver increased the sales tax rate by 0.1 percent to support the Inspire Vancouver project, which is a fund to support art, culture, and science related organizations through grants. The City could consider a similar sales tax increase in Downtown as a special Downtown Sales tax and create a fund for Downtown activation, development, and economic prosperity. However, increasing sales taxes in Downtown may decrease spending in Downtown due to a rise in cost and may work against existing retailers.

City Department or External Partner

- State of Washington Department of Revenue
- City of Vancouver Financial Services and Management

Implementation

- Initiate conversations with policy makers about introducing a special Downtown sales tax
- Conduct research on possible revenue generation from sales tax increase

Increase Lodging Tax in Downtown

Currently the State of Washington allows a 4 percent local lodging tax for stays at hotels and all generated revenue must be used to promote tourism in that jurisdiction. The City currently charges a 2 percent local tax for stays in hotels. While the State of Washington does not currently have any special lodging tax districts, Seattle uses a Business Improvement Area to increase lodging taxes for hotel stays near the convention center. The City could increase the citywide lodging tax rate or propose to the State an increase of lodging taxes only in Downtown.

City Department or External Partner

- State of Washington Department of Revenue
- City of Vancouver Financial Services and Management

Implementation

- Conduct research on possible revenue generation from lodging tax increase.

Business Improvement Areas

Business Improvement Areas (BIAs) are entities that collect special assessments imposed on existing businesses, residential, and mixed-use buildings within a specific geography to

support shared investment, management, services, and programs within the defined area. Downtown Vancouver currently has a Downtown Association that functions like a BIA but is not funded by all businesses and property owners within a specific geography - rather they rely on optional contributions from residents, businesses, and property owners. While a BIA requires a specific legislative approval, which requires that 60 percent of the businesses and property owners must agree to the additional assessment, it can create a more steady flow of revenue that can be used to support a variety of infrastructure investments, either through supporting bonds or pay-as-you-go strategies.

City Department or External Partner

- Existing Downtown Businesses
- Vancouver Downtown Association
- City of Vancouver Housing and Economic Prosperity Department

Implementation

- Collaborate with existing Downtown businesses and stakeholders to discuss potential for a Business Improvement Area.
- Identify potential investments from Business Improvement Area revenue.

Local Improvement Districts

Under Washington State Law, local governments can form Local Improvement Districts (LIDs) to fund specific infrastructure projects that will lead to improved feasibility of development. Similar to the TIF, the LID would require a specific geography centered around an infrastructure investment like a park, transit node, or major utility upgrade. The LID would be an additional assessment on existing property owners that will benefit from the infrastructure investment. These funds could be used to fund projects as a "pay-as-you-go" model or by bonding against future revenues.

City Department or External Partner

- Downtown Property Owners
- Vancouver Downtown Association
- City of Vancouver Housing and Economic Prosperity Department
- City of Vancouver Public Works Department

Implementation

- Identify potential capital investment that would qualify for the creation of a LID
- Identify local appetite for LID, given it requires local property owner approval
- Identify potential LID revenue around infrastructure investment for target industries

State and Federal Grants

Another strategy to raise funding is to apply for grants available to public jurisdictions that support Downtown activation, local businesses, or infrastructure upgrades. The City could also help support target industries to find resources for available grants.

City Department or External Partner

- City of Vancouver Housing and Economic Prosperity Department
- State of Washington
- Federal Government

Implementation

- Research available grant funding for supporting local businesses, ground floor activation, infrastructure upgrades, or general grants from the State or Federal Government

Philanthropy

The last strategy to raise capital is to seek philanthropic donations from philanthropists, or non-profit organizations. By creating a vision for Downtown as an equitable and active neighborhood, this will encourage local philanthropists to support the vision of Downtown by investing in projects and programs.

City Department or External Partner

- Non-profit Organizations
- Philanthropic Entities
- City of Vancouver Housing and Economic Prosperity Department

Implementation

- Maintain relationships with non-profit organizations and philanthropic entities.

Table 13: Methods of Funding for Public Investment Table

Included as PDF in 6/12 Version

Sources: Bricks Need Mortar; First Forty Feet; BAE, 2026.

Actions and Strategies by Industry

Similar to the industry matrices provided throughout the report, the actions and strategies industry matrix describes the category of support that the City can provide to the target industries. The categories of support include land use, city processes, financial incentives, and direct and indirect city investments. The last row of the matrix ranks the level of assistance that City can expect from supporting the target industry to locate in Downtown.

HOW TO USE THE ACTIONS AND STRATEGIES INDUSTRY MATRIX

- Determine type of support that target industries could require to locate in Downtown.
- Understand the level of effort the City could expect when assisting a target industry to locate in Downtown.

Type of City Assistance

The city can support the target industries to locate in Downtown by using land use tools, city processes, financial incentives, and direct or indirect investments. Land use tools can be used to help target industries by allowing flexibility in ground floor spaces. City processes like permit streamlining or coordinating with property owners in Downtown can help the city improve timelines for target industries looking to relocate into Downtown, which lowers costs. Financial incentives like tax exemptions or fee waivers could potentially lower development costs and incentive new development that includes non-typical downtown target industries. Direct city investments for target industries could be through grant programs, business assistance, or low interest loans. This type of assistance is likely to support local retail and specialty users in Downtown.

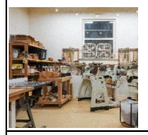
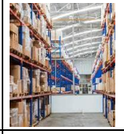
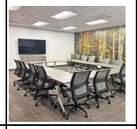
Downtown Vancouver Priority

The Downtown Vancouver priority row describes how each industry aligns with City goals, with a focus on economic development and ground floor activation. For industries that do not particularly align with economic development goals but fit in with the Downtown environment, the priority for these uses is labeled “Pedestrian Traffic” as those uses add foot traffic in Downtown, which ultimately increases activation in Downtown.

Level of City Assistance

The level of city assistance row allows the City to identify the industries to focus their investments. To meet economic development goals the City can focus on industries that require a higher level of assistance but meet economic development goals for Downtown.

Table 14: City Actions and Strategies Industry Matrix

Use Type	Light Industrial						Office	Retail			Specialty			Residential
Industries	**Construction**	**Manufacturing**				**Wholesale Trade**	**Office**	**Retail**	**Arts, Entertainment, and Recreation**	**Accommodation and Food Services**	**Health Care**	**Education**	**Public Administration**	**Residential**
Sub-Industries	Specialty Trade Contractors	Food and Beverage Manufacturing	Advanced Manufacturing	Glass or Ceramic Manufacturing	Apparel Manufacturing	Industrial or Car Part Wholesale	Finance, Insurance, Information, Real Estate	General Retail, Hobby, and Specialty Retail	Museums, Historical Sites, and Similar Institutions	Hotels, Food and Drinking Places	Ambulatory Services, Child Care	Trade School, Computer Training	Local, County, and State Public Administration	Ground Floor Residential Units
Description														
	Light Carpentry, tile, painting manufacturing and installation	Experiential food and beverage manufacturing such as breweries or bakeries	Electronic and computer manufacturing	Experiential ceramics or glass blowing and manufacturing	Small scale sewing and clothing manufacturing	Electrical parts, industrial machinery and stone wholesale	Typical office users and businesses	Typical small business retail along Main Street	Experiential art galleries and entertainment	Typical bars and restaurants in Main Street retail	ground floor and mixed-use urgent care and childcare services	Public education and technical training in ground floors	Public agencies, and legislative bodies	Multifamily residential, ground floor residential
Type of City Assistance	Land Use	City Processes Land Use Direct and Indirect City Investments	City Processes Land Use Direct and Indirect City Investments	Land Use City Processes Financial Incentives	Land Use City Processes Financial Incentives	City Processes	n.a.	Financial Incentives Direct and Indirect City Investments	Direct and Indirect City Investments	Direct and Indirect City Investments	City Processes Direct and Indirect City Investments	City Processes Direct and Indirect City Investments	n.a.	Financial Incentives Direct and Indirect City Investments
Downtown Vancouver Priority	High-Wage Jobs	Wigh-Wage Jobs Industry Diversity	Wigh-Wage Jobs Industry Diversity	Ground Floor Activation	Industry Diversity	High-Wage Jobs	High-Wage Jobs, Ground Floor Activation	Ground Floor Activation	Ground Floor Activation	Ground Floor Activation	Essential Services, Pedestrian Traffic	Industry Diversity	High-Wage Jobs, Pedestrian Traffic	Pedestrian Traffic
Level of City Assistance	Low	High	High	High	High	Moderate	Low	Moderate	Moderate	Moderate	High	Moderate	n.a.	n.a.

Sources: U.S. Census Bureau; HGMC Brewing; Capstone CRE; Recast City; Washington Department of Employment Security; First Forty Feet; BAE, 2026.

Near-Term Recommendations and Strategies

Given the current challenges to development feasibility largely driven by factors outside of the City's control, the City should prioritize certain strategies in the near-term in order to support ground floor activation, new development, and introduction of industry targets in Downtown, while also investing in certain strategies to pave the way for future development. These include:

Allow ground floor use flexibility: The City is actively adjusting ground floor use requirements through the Comprehensive Plan and should continue to support these efforts. In addition to adjusting the requirements through the Ground Floor Overlays, the City should consider allowing further flexibility for target industries by allowing waivers and variances from the Downtown Design Guidelines and Active Use Overlay requirements.

Conduct outreach to target industry businesses, representatives, and downtown property owners: This study identifies a need to support living wage jobs in Downtown, especially in industries that are not heavily concentrated in Downtown today. Through contacting industry representatives and target industry businesses, the City can create an ongoing list of potential businesses interested in Downtown, coordinate future infrastructure investments to meet their needs, and understand growth trends and how those businesses can fit in Downtown. Similarly, contacting real estate brokers to highlight Downtown Vancouver as an attractive area for businesses looking for space throughout the region will further promote business attraction to downtown, while also helping City staff understand what businesses are actively interested in Downtown Vancouver and how the City can help support those business types. Lastly, reaching out to downtown property owners helps the City understand the unique needs and future plans that the property owner have for privately-owned sites throughout Downtown. The City or City partners can act as a liaison between industry target businesses and property owners to fill vacant spaces in Downtown.

Leverage Publicly-Owned Sites for Development: The City owns various parcels throughout Downtown that can be used to support new development for industry targets. The City can support the feasibility of development by offering the land at discounted rates, either through a low-cost ground lease or fee simple sale. In addition, the City can collaborate with other public agencies to identify surplus sites that could support new development for industry targets and ground floor activation. These agencies primarily include Clark County and the Vancouver Housing Authority. The City would not necessarily have to purchase these sites, but rather provide resources and support for future development projects on these publicly-owned sites.

Acquire Privately-Owned Sites and Buildings: The Downtown Redevelopment Assessment identified a range of privately-owned sites that are currently vacant or underutilized. The City can support redevelopment of these sites through strategic acquisition. Through purchasing privately owned sites, the City can catalyze development for surrounding land owners and

incorporate industry target users to occupy the development on the purchased property. The City should also seek to purchase sites that disrupt the ground floor active corridors to create a cohesive active environment in Downtown while also being able to determine the tenant that occupies the ground floor once the property is developed.

Public Private Partnerships Another near-term strategy the City can implement is continuing to identify and participate in public-private partnership opportunities. In addition to entering into development agreements for development on City-owned land, identified above, the City can also consider other forms of partnerships. This could include locating City services in the ground floor of private development, or purchasing the ground floor of future developments to allow public ownership and management of Downtown spaces that can then be used to support local businesses. In addition, the City could consider partnering with local childcare providers to attract those uses to Downtown through subsidies or affordable rent to enhance the available services for Downtown residents and employees. Lastly, the City can partner with local organizations to fill vacant storefronts with local businesses.

Study Potential Revenue Generation Mechanisms: The City should review the potential revenue generation tools to create funding mechanisms to support downtown investments necessary to accommodate additional development and the inclusion of space designed to meet the needs of the target industries.